

BETHLEHEM AREA SCHOOL DISTRICT
BOARD OF SCHOOL DIRECTORS
BUDGET HEARING # 4

APRIL 22, 2009

The second 2009-2010 Budget Hearing of the Board of School Directors of the Bethlehem Area School District was held on Wednesday, April 22, 2009, beginning at 6:00 p.m. in the Dining Room of the Education Center, 1516 Sycamore Street, Bethlehem, Pennsylvania.

Director McKeon presided.

Members present: Members present: Directors Amato, Cann, Dexter, Follweiler, Koch, Leeson (arrived during Courtesy of the Floor), McKeon, and Tenaglia – 8. Members absent: Director Haytmanek

MEMBERS PRESENT

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

OTHERS PRESENT

President Leeson offered courtesy of the floor to visitors. Speakers are asked to come to the podium, stating their name and address. Public comment in the first session is limited to 30 minutes. Speakers are limited to three minutes each. The board requests that, when possible, all individuals supporting a like position on a topic select a speaker to present their views to avoid repetition. If that is not possible, all are welcome to speak. As per school board policy, generally, speakers are limited to taxpayers, residents, or employees of this school district. At the conclusion of the regular school board meeting, another block of time will be allocated for public comment. At that time, the same rules will apply. It is asked that speakers observe proper decorum, without personal attacks towards a specific individual or individuals. It is not the custom for the board to enter into a dialogue at these meetings about concerns. However, the board does listen with care to issues raised. Speakers will receive responses, in some form, by the administration.

COURTESY
OF THE FLOOR
TO VISITORS

The following persons addressed the Board of School Directors:

1. Robin Hojnoski – 2052 Hopewell Road, Bethlehem –
Mrs. Hojnoski stated she was present to speak about the value of the SPARK Program. She said the teachers from SPARK provided an invaluable opportunity for a meaningful career making a difference in young children's lives. The children are provided valuable experience in learning and developing skills they needed to be successful in school and beyond. To families, SPARK provided an invaluable support, providing a safe and nurturing place for their children. Mrs. Hojnoski expressed that as a community; SPARK provided an invaluable service by preparing children to become productive members of the city.

To the larger community, SPARK provided an invaluable message in that Bethlehem believed in the value of high quality education for young children. To the research community, of which she was part of, SPARK provided an invaluable resource as a research partner, collaborating on efforts that ultimately improved educational outcomes for children in Bethlehem and beyond. Mrs. Hojnoski stated that when she came to the Lehigh Valley three years ago, she knew it was essential to seek out an early education setting. She previously worked with Head Start in Memphis, Tennessee and so upon coming to the valley, she knew she needed to find another partner. She noted that in her third year at Lehigh University, she was thrilled to have connected with SPARK, noting that their continued existence was critical to not only her research agenda but relative to furthering research about early education for young children. She pointed out that she was currently partnering on a research project to better understand young children's math development with many research possibilities for the future. She noted that SPARK had so much to offer as a research partner, not only for her own research agenda but for the larger professional community interested in supporting young children's development. With Pre-K initiatives becoming more and more common, research was needed to inform best practices in providing high quality education to preschoolers. She added that SPARK was invaluable in that process and it was a "diamond in the rough." The things happening in their classroom needed to be shared with the larger community. She borrowed the following from a recent series of popular commercials: "While the cost of educational supplies and services can be calculated to the exact penny; the cost of SPARK's partnership and their continued existence – Priceless."

Director McKeon noted President Leeson's arrival and also announced that Director Dexter had to depart at 6:30 p.m. in order to attend a meeting at the Colonial Intermediate Unit.

2. Jody Miller – 5350 Old Bethlehem Pike, Bethlehem –
Mr. Miller stated that he was an industrial arts teacher at Liberty High School and also the head coach for the rifle team. He was present on behalf of both Liberty and Freedom High Schools to ask the board for consideration to not reduce the rifle team from a varsity to a club sport. He was aware there was a budget crisis but he thought it to be in the best interest of the students at both schools to maintain the status quo as a varsity program. He pointed out that he coached between 25 and 50 students at Liberty High School and he believed the numbers were very similar at Freedom High School. They had a varsity program and they also had an informal J.V. program. They had ten or eleven teams in the league without counting himself in the process. He understood there might have been questions regarding travel costs and he noted that he had been driving a van to away matches.

Mr. Miller explained that the Freedom High School coach was new this year and thought it was in his best interest to take the bus so he could see the locations and then would drive the van next season. He said many locations were relatively close for away competitions. He asked for continued support as he reflected that he had been back to the board every other year for the last nine years as head coach in support of the rifle program.

Dr. Lewis stated the format was very basic and noted that the public had access to the two pages the board received this evening. He said that he, in addition to Mr. Majewski, and Mrs. Cintrón attended a meeting on Monday evening and Tuesday with the Pennsylvania Big Cities Consortium primarily called by the secretary of education to clarify items surrounding the stimulus package. He expressed that they were very pleased with the discussion, dialogue, support, and also what they considered to be the results. He thought the information they had to share would continue to bring the budget into a better light and perspective.

DR. LEWIS –
INTRODUCTION

Dr. Lewis noted the items marked with an asterisk on the traditional “cut” sheet, of which needed some direction from the board, either by consensus or direction, as there were several issues looming. They had heard strong sentiment and were not recommending the sale of any district property. He explained that the item appeared as a “not recommended” item but they wanted to take it out of consideration. He believed the board also had spoken to it. They needed to address it because of the annual lease on the farmland and noted that if the farmer could not plant his crops, they would incur the costs associated with maintenance of the area.

President Leeson asked board members if there were any questions regarding the disposition of the district owned parcel at Freemansburg Avenue and Farmersville Road in Bethlehem Township.

Director Tenaglia requested more information. He reviewed that Dr. Lewis said that one of the reasons for the recommendation was with regard to the lease payment and costs associated with the maintenance of the property should it not be maintained. He expressed that he wanted to see some numbers on it.

Dr. Lewis explained that Mr. Gilliland would be arriving shortly regarding his question about the associated costs; however, while they were not excessive, they would be responsible for maintaining at least the appearance so that it would not become an eyesore. It was not his concern as much as allowing the gentleman to plant crops. He noted that the district did not make a lot of money on the lease.

Mr. Majewski stated that the lease cost to the farmer was \$1,000. He added that they already purchased the seed and if they did not have the opportunity to lease it, they wanted the ability to resell the seed. The lease would be brought to the board in May for formal approval but he wanted to give them some direction.

Director Tenaglia commented that the land could still be leased and put up for sale at the same time.

Mr. Majewski replied that it could be done with crops maturing sometime in August or September.

Director Koch stated that she would continue to oppose the sale of the property because there was still the possibility of needing it in the future. She said that it was much better to have the property than to go begging somewhere else and spending a lot more money. As far as the expenses, she was sure that Dr. Lewis thought it was better to rent it and have someone take care of the property than it was for the district to maintain it.

Dr. Lewis commented that he did not anticipate much more than a few hundred dollars a month for someone to cut brush, but it would be district personnel and they would be paying for it.

Director Dexter said that she opposed taking any budget item out piecemeal. She knew that for herself, the decisions would be based upon each item in the context of the entire situation which would include what they anticipated with the stimulus package and include other things they might discuss regarding the expenditure or necessity of those items. She agreed with Director Tenaglia in that they could lease and make the decision at the same time. She saw no problem if they decided to sell the property because it could be sold subject to a certain sale date which would allow the farmer to harvest his crops.

Dr. Lewis responded that administration would be agreeable and noted that Mr. Majewski recently had contact with him and he was sure it would work.

Director Dexter added that she would not vote on any of the pink items at this juncture because they did not have their budget hearing.

President Leeson stated that she was in agreement with Director Koch in that she was not in favor of selling the property. She thought they had some discussions on it to date and felt the need would be there at some point and that the cost would only rise in attempting to repurchase the land.

Director Amato opposed the sale of the parcel and commented that in the present economy they would be giving it away. He thought it would be senseless to sell it if the real estate market was great.

Director Follweiler stated that she was presently leaning against it because she did not believe it was a guaranteed sale, therefore she would not want it in the number for this year's budget. She also agreed with Director Tenaglia in that they could lease the property to the farmer without making a decision at this meeting. She thought the lease should go forward for the present year.

Director Cann said that she leaned towards selling the property because they desperately needed the money and thought the balance weighed in favor of a sale rather than relying on "maybe, if, someday" they might need it. All of the other areas in the district could eventually have higher populations and they did not have extra land in those areas so this area would be no worse than any other area of the district by not having extra land just sitting around for who knows how long. Her only hesitation would be the market and whether they would feel as if they would get full value.

President Leeson shared that the City of Bethlehem was fairly built out. There was discussion about the Martin Tower Project that could add a number of students in that area. She added that Hanover Township was also fairly built out as well. She thought that Bethlehem Township was one of the only areas of growth opportunity in the near future.

Director Cann added that she was aware of more development in Hanover Township although it was not a large area.

Director McKeon commented that a major project was the Wagner Field of Dreams, consisting of 400 to 600 units. At this point in time he was not in favor of property disposal.

President Leeson thought the board's direction was to go ahead with the lease but was unsure if they had a firm vote one way or the other.

Director Koch pointed out that in the past when they had similar discussions, they had research done through the Child Accounting Department regarding the student population expected from each area to obtain a projection for the next five years. She thought it was been a few years since they had obtained the information. She added that it was more useful rather than the board members stating that they knew of certain areas of potential growth in the district.

Dr. Lewis thought they had an answer to go ahead with the lease with an option to consider a sale down the road. He questioned if it was the general consensus of the board.

Director Tenaglia reminded the board and administration that a year ago they looked at three other alternative sites for the new school, all of which were on district owned land adjacent to Hanover, Asa Packer, and James Buchanan.

He noted that the sale of the property would not preclude the district from building another elementary school should it be necessary, because they had three other available sites.

President Leeson inquired if they had the same ability in Bethlehem Township that they had on the western side of the district.

Dr. Lewis replied that it would depend upon what they were looking at in terms of acreage per site. One could certainly look at field areas as holding another building.

Dr. Lewis brought attention to the second issue, which was the restructuring of the Apple leases, which would bring their immediate commitment down but further out they would be committed to purchase and refurbish inventory for three additional years plus the current year. It would net a savings of \$180,000 for the current year. He said they did not want it to simply be morphed into the budget without further consideration. He felt it to be incumbent on them to recommend the continued updating of equipment and maintain a current inventory so they would not fall into a state of obsolescence, which was where they were years ago when the district had floated a single bond issue of \$10,000,000. He commented that they were in good shape for a few years but had a ton of obsolete computers. They were in a rotation and it would continue to keep the inventory relatively fresh.

President Leeson recommended that Dr. Lewis continue with his presentation and they would then address each issue.

Dr. Lewis addressed the next issue involving the Home and School Visitor, which was basically reinstated it as they had significant IDEIA monies. They felt it was an appropriate expense and the need to keep up with the timelines for identifications. He pointed out that the Home and School Visitor was an integral part of the initial contact with parents regarding potential special needs students. It was reinstated under the IDEIA stimulus money so there would not be a direct impact.

Dr. Lewis moved onto the SPARK Program and explained that administration met with Dr. Zahorchak and Renee Palakovic to specifically discuss Title I monies, which were categorical in the stimulus distribution of the federal system so it was not a state implied restriction. He explained that because the students at SPARK qualified as Title I status and because 28 of them classified as early intervention/special needs parameters; the money they pulled down on the early intervention side, while minimal, and the dollars they could pull down from the Title I side, would essentially pay for the entirety of the Pre-K Program. He noted that if they did not do that, they did not feel they had enough categorical expenses to spend the Title I money.

It would mean they would be turning back approximately \$1,000,000 in that area and would be turning back approximately \$1,000,000 in Pre-K Counts money, which could only be spent for pre-kindergarten programming. He pointed out that the grants were in place with a history of longevity. Dr. Lewis said they were not asking the board to make definitive decisions, but as they planned out the use of the stimulus money, they had a firm commitment that the dollars could be spent. He stated that the secretary of education confirmed it, but in other areas, until he stamped it, it was not approved. He commented that the board had the opportunity to redirect the funds if they found different appropriate uses, even though Dr. Zahorchak approved it. It was the recommendation of the administration that the SPARK Program be maintained by 100 percent nondistrict funds and to not do so would mean turning back approximately \$2,000,000.

President Leeson asked Dr. Lewis if he was stating that the Title I monies could only be used for SPARK and there was no other place to put them. If they did not use them for SPARK, they would be turning them back to the state. She asked if they would not be able to use the funds in other areas of the district.

Dr. Lewis referred to the categorical use at the top of the document. He noted that the general operating budget offset for Title I was the SPARK Program. He noted the statement, "categorical uses not yet determined." He explained that they had to find a way and knew they had some expenses that would perhaps be shifted out of technology or other ways to fund some items. He said they had some mobility with the money (on the right of the document) and added that the Title I money would be the most difficult one. He was less concerned about the IDEIA money because there were a lot of expenses in special education, being federally underfunded with the district picking up more and more. He told President Leeson that the bottom line was that it was their belief that they would not only turn back the Prekindergarten money but would be turning back about half of the other money.

Dr. Lewis addressed the transportation contingency listed because they still had the option, as they reviewed the response to the request for proposals to keep a program inhouse, if savings of some measure could be secured. They also had the option to go with a third party. Nonetheless, they addressed it so the board knew it was still out there, because he was aware that some of them questioned the contingency line in the budget. He added that Mr. Majewski wisely pointed out that they should make sure the board was aware that it was there and predicated on either/or situation with more detail being provided by Mr. Majewski. He pointed out that he said to President Leeson earlier in conversation that they did not have the opportunity to get to the specifics of the uses in the general operating budget offsets, with the exception of a handful, however, they were confident that the shift could occur.

Dr. Lewis further noted that out of \$7,100,000 in stimulus money, they believed they had offsets of \$5,366,000 and possibly more, but they did not want to give more until they had the assurances of the state that it could be used.

Director Tenaglia stated that they heard during some of the webcasts and other information about the stimulus package, which discussed a two-year timeframe. He asked if the \$7,100,000 shown was for the next fiscal year.

Dr. Lewis replied that it was for year one. He added that someone inquired about year two and he noted that it was very similar.

Mr. Majewski pointed out the district's estimated stimulus funds. He noted the information received over the past weeks was quite confusing and conflicting. They had difficulty they had as far as budget discussions was that they really did not have a good feeling of how they would be able to use the monies and what type of strings would be attached. As a result of their conversation with the secretary of education, they had far more clarity than previously. He referred to the expenditures where it stated 2009-2010 Proposed Budget as of February 25 which he used it as the starting point which was the information on the website. The first several items showed a reduction of one additional teacher for Career Academy, the athletic reduction, the department chairs, the PBS contribution, and the SAT course. Those items were not something that were new as a result of the stimulus funds, however, they had appeared on a cut sheet during the month of March but were never included in budget. They were trying to use it as a starting point and then cut the items that did not appear on the previous budget so they would have a running total. The next area addressed math and literacy coaches with two of each. The four positions were previously funded through grant sources and they were told that those funds could not be used next year to fund those positions. The average teacher's salary of \$58,843 determined the total amount of \$235,000. They needed to add four FTEs back into the general operating fund because the grant funds previously available would likely not be available in 2009-2010. The next item was for retirement offsets due to fewer than budgeted. He explained that they estimated 20 retirements from the professional staff such as teachers and guidance counselors. Based upon the information provided by Mr. Washington, they had approximately 12, which was nowhere near the estimate. Since there was approximately \$25,000 per retirement attached to that figure, they needed to put \$200,000 back into the budget if they would not get the number of anticipated retirements during the earlier budget development. He said that it was not unusual to get 40 to 50 retirements per year; however, they were seeing people being more cautious as a result of the economic times.

Mr. Majewski addressed the transportation contingency built into the budget and noted that they circulated an RFP for contracted transportation and assumed it would net out \$1,000,000 reduction in costs.

There was a concern about building it in too early before they had a chance to go through the numbers to see the direction of the district. With the stimulus funds presently being available, it gave them an opportunity to take out that credit and make the transportation budget whole so they would not be assuming a million dollar reduction. As they were going through the review process, if they found savings for the district, they would have a better number as to what it would be, so before June 30, they would likely have the opportunity to be able to adjust the transportation budget. They would rather assume there would be no cost savings until they knew what they were and be able to quantify them, which should happen by June 30. He noted that they had talked about a \$1,100,000 reduction in SPARK reduction, however with Title I there were certain costs that could not be charged against the grant, therefore they could not apply them against the funds such as utilities of the building, the custodial costs, and the transportation of students to and from the school. Those costs continued to be in the general operating fund and would not be covered by the Title I funds. The amount of \$875,000 of the Title I funds were able to support the SPARK Program.

Mr. Majewski brought attention to TLC Software, technology offset by the Title II-D Grant. He pointed out the amount of \$75,500 with \$23,514 was being offset by the general operating fund which relieved \$51,000 of the Title II-D.

He explained the reasoning why they had a CFF (Classrooms for the Future) Coach under Title II-D funds. In most cases they could not yet identify where they would apply a fund and explained there was an application process with Title I funds. The process was not due until May 15, so until they went through the process, they could not identify specific detail as to how the funds would be used. He reviewed that they did know with regard to Title II-D funds.

Mr. Majewski moved on to IDEIA (Individuals with Disabilities Education Improvement Act) Funds, which supported special education students and could not be used for any other purpose. There were presently 28 identified students in the SPARK Program that were early intervention, which meant they could take a percentage of the IDEIA Funds into the SPARK Program general operating fund to help offset some of the costs that totaled \$5,577.

Dr. Lewis inquired if 18 percent of the cost was correct.

Mr. Majewski replied that it was 18 tenths of a percent. They arrived at the number by taking approximately 2,200 identified students and adding on the 28 early intervention students then divide it by the total number of students to create a percentage of the funds they could allocate as district-wide funds to those students. He further explained that it was 28 divided by roughly 15,300.

Mr. Majewski said that it was explained to him that they could allocate district-wide and further down with IDEIA they would get 14.6 percent with the other programs. When one nets all the additions and/or reductions out, it changed the \$191,034,662 budget down to \$191,236,745, which would be the new total budget figure.

Mr. Majewski moved to the revenue category, starting with \$191,034,662, which was a 2.98 mill increase or a 7.53 percent increase. He explained that the letter of transmittal would show the numbers.

Mr. Majewski addressed the state fiscal stabilization funds of which they were receiving information. It appeared that it was going to be somewhat more restrictive than previously heard. He noted that Dr. Zahorchak had indicated that the funds would become part of the subsidy and were very flexible so they could use 100 percent as revenue of the general operating fund to offset costs without having to show it as a reduction of any type of expenditure. The amount was \$1,990,600. In order to make the revenues and expenditures balance, they were able to reduce real estate taxes by \$1,788,517, thus reducing the millage increase to 2.31 mills or 5.84 percent. The IDEIA funds were still listed as potential because there was not yet clarity as to the application process. Mr. Majewski stated that it was his understanding that the funds would probably flow through the Intermediate Unit just as their current funds and the dollar amount should remain the same as the estimate. His only concern was that he did not receive the information with any type of certainty; however, it was reasonably certain they would be receiving the funds. He further elaborated on their impact on the budget. When identifying the amount of IDEIA funds which could be used for the general operating fund, one looked at the percentage of special education students, not including gifted students, for allocating IDEIA funds in support of special education programs within the general operating fund. The number was \$457,000. The IDEIA regulations also allowed for 15 percent of the funds to be used for prevention and those services could also be identified in the general operating fund, amounting to \$464,000. Mr. Majewski noted that he received confirmation that 50 percent of the funds could be used for Maintenance of Effort. He added that he made telephone contact to ensure that the 50 percent of effort did not include the funds and they could be added together. It was confirmed that they could identify each of the three sources independently as funds that could be used to generate support for special education students even those funded out of the general operating fund. It gave them the ability to do something they had discussed. He stated that there were questions addressing the budget deficit and what would happen if there was further deterioration of the local economy or what if the governor's budget did not come through at the proposed levels. It would be very difficult to manage last minute decreases in revenue or increases in expenditures. It allowed them to build in a \$1,600,000 contingency/deficit reduction figure into the budget.

With the built-in contingency for deficit reduction built into the revenue side, they still could reduce the tax increase to 1.98 mills or a 5 percent increase, which would bring the total budget to \$190,379,092.

Dr. Lewis added that if they realized savings with in-house transportation being maintained, the savings would also be able to be put back into some type of fund balance or reserve. If they went with a third party and realized more significant savings, those would additionally assist them. He pointed out that the administration recommended the 1.98 mill increase rounded to 2 mills, because they could not expect the state to continue to argue for the district if they did not maintain a local tax effort considered adequate by the state. He noted that he received the message loud and clear at a sidebar with the secretary of education. He believed that Dr. Zahorchak was extremely cooperative in trying to find solutions for the use of the money, and added that Dr. Zahorchak referred to Mrs. Cintrón as his mentor regarding her expertise with Title I. The administration's recommendation was to allow them to build on it. He stated that it did not mean that they locked into it but it simply meant that they would start the line item adjustments on the general operating budget offsets. He thought the good news was that while nothing was committed until the stimulus dollars actually arrived, PDE approved the posted expenditures, and the budget was passed and approved, he believed they were much better off to date than they were as little as a week ago.

President Leeson asked if anyone had any clarifying questions.

Director Cann asked if the 5 percent included all the "green" reductions other than the \$1,000,000 in transportation.

Dr. Lewis replied all other than the Home and School Visitor and \$1,000,000 in transportation.

Director Cann reviewed that other than those two, all the "green" was already in there.

Dr. Lewis replied affirmatively.

Director Cann questioned if the "red" area was in there.

Dr. Lewis responded "no."

Director Cann asked if the only way to lower the 5 percent would be to use some within the "red" area or other ones that were not yet considered.

Dr. Lewis replied that they could find other offsets and they could choose to lower the impact, but it was not recommended. They thought there were a few double-edged swords such as the message from the state and they felt that 2 mills was reasonable. He added that Mr. Majewski was doing an analysis on what it looked like with the homestead offset on a \$60,000 home.

Mr. Majewski offered another response to Director Cann's question. He referred to the "green" list pointing out the ten additional retirements, which changed to two, because eight would be removed.

Dr. Lewis commented that they still could get additional retirements but the present economy had people thinking twice on retirement.

Mr. Majewski stated that a taxable assessment would vary depending on the home, but on average, the assessment was about \$60,000. If they used it as a starting point and divided that amount by a thousand and then add the 2 mills, it would equal an increase of \$120 in the real estate tax bill. They were also told that the amount of gaming funds should be very similar to what they were this year. He reviewed that there was \$181 property tax reduction so if they had \$120 increase with \$181 reduction, it would show that the average residential property taxpayer with homestead approval would have a net reduction of \$60 on their tax bill.

Director Follweiler asked if the line that read State Fiscal Stabilization Fund were additional monies given to them by the state as part of the stimulus package, which previously were not accounted.

Mr. Majewski replied affirmatively.

Dr. Lewis further explained that there were four categories in the stimulus package, which were Title I, Title 2-D (minimal technology), IDEIA (special education), and State Fiscal Stabilization Funds.

President Leeson asked if he could be more specific regarding the meaning of those categories.

Dr. Lewis explained that the Title I monies were building direct with the exception of the SPARK expenditure, which was discussed with the secretary of education. They were to be distributed based upon highest need for building specific expenses, generally covering everything from reading and mathematics in terms of improving instruction interventions, assistant supports, software and a host of things incorporated, as well as salaries. It was based upon a low income and high ESOL equation. He explained that they had schools come in and out of school-wide status. He added that the entire school could benefit on a per student allocation or there was also partial investment in a particular school's operation.

Mr. Majewski stated that it did not include the high schools. He added that unlike other Title I funds, there was usually a non-public component. With the supplemental Title I funding, there was no requirement to provide any type of non-public assistance with the funds so they were able to use all of them.

Mrs. Cintrón stated that if they decided to use the supplemental funds of \$1,000,000 for the SPARK Program, the nonpublic schools did not get a share of it because it was designated for their early childhood program; however they received a share of the remainder of the funds.

Director Koch asked if the charters were included in nonpublic schools.

Mr. Majewski responded that charter schools were considered independent public schools and were not nonpublic schools. They were not included.

Dr. Lewis described Title 2-D as funding specifically for technology expenditures. They were able to pull out a very important software piece so there was a budget offset. They needed a CFF Coach because many of the grant requests were tied to having the position in place, most importantly the CFF Grant itself. He added that other technology grants always asked that particular question on the application. They were exclusively technology and were not driven out to specific schools and could be used on district-wide effort.

Dr. Lewis explained that IDEIA was associated with special needs costs. Because Mr. Agretto had done a great job getting inclusionary programs established in the district, there was an assumption that a percentage of the special needs students were in the classes and therefore associated regular education costs could be paid for out of the funds. He noted a 15 percent prevention portion which was for tutoring, Reading Recovery[®] and identifying students early in an RTI (Response to Intervention) Program in order to keep youngsters from being identified. Those prevention costs could be up to the 15 percent marker. The third category was the Maintenance of Effort, which was approximately one-half and was special education. They had a lesson revenue source and were trying to pay for the special needs teachers which were paid for from the general operating budget, but they could be moved to the IDEIA funds and it would not be considered to be supplanting because it was the maintenance of their effort.

Mr. Majewski reinforced the idea that the all of the funds that could be applied against IDEIA must be related to the special education salaries, programs, needs, and service.

Dr. Lewis noted that the most vague in the group, which was the intention of the secretary of education and the governor to move into the basic education subsidies so that a legislature was less likely to remove it in three years. It was the approximate amount of \$2,000,000. He noted that Mr. Majewski had pointed out that those dollars had much less of a restriction and as they went through to identify existing budget items they could offset; it could probably be used exclusively to drive the regular program.

Dr. Lewis recalled discussion about infrastructure costs and capital improvements. While it was an acceptable use, he noted that Mr. Majewski did not recommend doing it and as a matter of fact, he recommended being able to shape it into what would be the ESEA standard of spending anything in the public or instructional budget. It also gave the impact that they were spending the basic education funding dollars to educate children.

Director Follweiler addressed the SPARK issue and reviewed that Dr. Lewis said that they found they could be 100 percent maintained. She understood from Mr. Majewski that listed in "red" added up to \$875,000 and there were additional costs that the district would incur which would still be in the budget.

Mr. Majewski reviewed that they would still be responsible for the cost of transporting the students to and from school, in addition to the custodians and utilities of the building.

Director Follweiler questioned the total figure.

Mr. Majewski said that transportation was approximately \$75,000, the custodians were approximately \$80,000 and he was not certain about the utilities.

Director Follweiler noted that there were some costs to the district, while the majority of costs would be picked up through state funding.

President Leeson asked Director Follweiler if she wanted the numbers by the next meeting.

Director Follweiler agreed and commented that she knew the subject was not discussed a lot and she wanted to be sure that everyone was clear to the exact dollars.

Director Tenaglia reviewed the stimulus funding sheet and reviewed that when the February budget was prepared, they did not have stimulus money included.

Dr. Lewis agreed.

Director Tenaglia noted that they were presently stating that the stimulus funding was estimated to pick up another \$7,100,000.

Dr. Lewis replied that they were estimated to receive \$7,100,000.

Director Tenaglia questioned why the total budget was not reduced by \$7,100,000.

Dr. Lewis responded that Title I was the tough one.

Director Tenaglia addressed the highest level.

Dr. Lewis requested to speak about Title I because it involved \$1,000,000. He explained that they had to qualify the expenses and reviewed that they were building level driven. He was not certain if they could find need in certain schools without the danger of a supplanting rule fine. He did not know how it would look because they did not have the time to start the review.

Director Tenaglia suggested taking it out and looking at the general operating budget offsets of \$5,300,000. He inquired why the total budget was not being reduced by \$5,300,000.

Mr. Majewski responded that if there was additional revenue and real estate taxes were reduced, they ended up cancelling themselves so it did not affect the bottom line. They went from a 2.98 mill increase down to a 1.98 mill increase. The one mill equaled approximately \$2,654,865.

Director Tenaglia stated that it did not answer the question. He said that the question was that they prepared a budget for February that had total expenditures of \$191,000,000. They were now told that in the upper portion of the budget sheet that he anticipated receiving the stimulus just on the general operating budget and they could offset \$5,300,000. He asked why the budget was not being reduced by \$5,300,000.

Mr. Majewski replied that what he had previously explained was the majority of the answer. He stated that if they were going to get additional revenue and were going to use a portion of it to reduce taxes; they were increasing one revenue budget but decreasing the other so the net effect was zero so the bottom line was not changed. With some of the revenue or the identified expenditure reductions, there were some monies put back. Those expenditure items, such as the \$235,000, the \$200,000, and \$1,000,000 went back into the budget and were being netted against other reductions. They also added a \$1,600,000 contingency and/or deficit reduction category so it would be an offset for some of the additional revenue.

President Leeson stated that when she added it, she arrived at an approximate \$3,000,000 offset plus they had another \$1,000,000 reduction.

Director Tenaglia reviewed that the real estate taxes were reduced by \$1,700,000 and they had a contingency of \$1,600,000 and the revenue expenditures were changing by less than a mill.

President Leeson commented that they were adding in the deficit reduction of \$1,600,000.

Director Tenaglia corrected that it was \$1,600,000 plus \$1,700,000 and they still did not come to \$5,300,000. He explained that the \$1,700,000 was under revenues where the tax receipts were being reduced.

President Leeson said they had to add in the \$1,400,000 of the additional expenditures into the budget.

Mr. Majewski explained that there were two categories of real estate tax reductions noting the \$1,800,000 and \$857,000. They were looking at over \$2,600,000 of real estate tax reduction, which was the one mill.

Dr. Lewis added that President Leeson was correct. In other words, the transportation piece and the contingency were \$2,600,000.

Director Tenaglia asked about the sequence to look at the two sheets because the most recently revised budget had a 5 percent increase with \$190,000,000. In addition to that they received the other sheet with the same date where the total "green" shaded numbers were 6.6.

Dr. Lewis explained that it was the worksheet they used previously to highlight the items and was not factored in to it. He asked permission from the board to go back and fill the tentative budget, change the letter of transmittal, do the recalculations and give them a hard list of what was not included.

Director Tenaglia reviewed that it was then historical and presently their best guess.

Director McKeon inquired if the \$7,100,000 in receipts was a combination of the stimulus package plus the projections.

Mr. Majewski replied that the \$7,100,000 was the stimulus package.

President Leeson added that Mr. Majewski was saying that only \$5,300,000 was presently being accounted for because they were not sure if they could identify sources at the present time.

President Leeson addressed the recommendation of the administration to add the contingency back into the budget. She noted that it did not mean that by the time they passed the budget, it might be taken out. She explained that throughout the year, they might be looking at transportation to find cost savings but she thought a conservative approach would be to put it back into the budget. She asked if there was any opposition to her statement.

Director Koch inquired if they would have a future lengthy discussion on the item.

Dr. Lewis replied affirmatively along with President Leeson.

President Leeson said that the idea was that they were not banking on it at the present time so that when they looked at it in the future, it would be an opportunity to reduce the deficit or the budget.

President Leeson noted a consensus of agreement regarding the transportation contingency.

CONSENSUS –
TRANSPORTATION
CONTINGENCY

She addressed the reinstatement of the Home and School Visitor.

Dr. Lewis responded that in light of the new 60 calendar days versus 60 school days stipulation on completion of evaluations and Mr. Agretto's data presentation from last week, which showed that they were not gaining on it. It was a critical staff member regarding that process.

President Leeson inquired if any of the IDEIA money could be used for the Home and School Visitor.

Dr. Lewis replied that it was discussed and they did not believe they could just simply move it.

Mr. Majewski commented that they were taking a look at it, knowing the Home and School Visitor had a number of functions, some of which supported the special education students. With the allocation of the 14.6 percent, they were bringing in funds that were special education related, such as a portion of the time that the Home and School Visitor was used for special education services to help offset the costs. They did not necessarily identify the Home and School Visitor but it was because of the type of activities, it allowed them to bring in some of the IDEIA money to lower the general operating fund.

Director Tenaglia stated that it was his understanding from administration that they wanted to refine the budget and then come back to the board with revisions to the recommendations.

Dr. Lewis noted that President Leeson's approach was good because they would then construct it without it in there. He said they would look if they could shift those salaries to Maintenance of Effort and would know better once they had the approval. They wanted to reinstate it so they knew the position was there.

President Leeson noted a consensus of agreement to place the Home and School Visitor position back into the budget.

CONSENSUS –
REINSERT
HOME AND SCHOOL
VISITOR

President Leeson addressed the Apple lease and reviewed that Dr. Lewis requested direction. She noted that they currently had \$180,000 as a reduction for the current year but it would mean a commitment of three more years.

Dr. Lewis added that it would mean a totally new inventory of equipment coming in immediately.

Director Cann asked if the yearly expenditure would be the same as present under the new lease.

Mr. Majewski replied that if they looked at budgeting without any restructuring, the yearly expenditure would be \$1,050,000. He noted that they presently had \$180,000 lower because they assumed restructuring. If they did not restructure, they would have to put \$180,000 back into the budget in order to have sufficient funds to pay for existing leases.

Dr. Lewis thought the question was regard to the successive years in comparison.

Director Cann agreed and asked if they would be spending more than what they were spending in the past if they engaged in the agreement.

Mr. Majewski noted that if they did nothing, it would be \$1,050,000 next year, \$450,000 the following year and then it dropped out to almost nothing after that. In comparison to this year's payment, next year was about the same, the following year was significantly lower and the last year was almost nonexistent.

President Leeson asked about the cost with a new lease.

Mr. Majewski replied that if they went with a new lease, the payments would be the same every year at the reduced amount.

President Leeson commented that she would like them to assess the technology needs, in particular, the one-to-one laptop situation before they got into another lease.

Director McKeon reviewed the current agreement as \$1,100,000 payable for this year and next year, and about \$450,000 for the third year. If they would reformulate, they would then go to four more years as opposed to two years at the end of the present fiscal year. He asked what the payment schedule would be under the restructured agreement.

Dr. Lewis pointed out that they would be running equipment that was well over six years old which was one of their concerns.

Director Follweiler inquired if they had looked into the difference in costs between PCs and Macs.

Dr. Lewis addressed the educational capacity of the PC versus the Mac.

Director Follweiler stated that in the business world one used a PC and she was told that the students get a mix of both later in high school depending on their career path.

Dr. Lewis noted that the business laptops were PC based but from an educational perspective through middle school, he guessed they were convinced that the available software ran better, quicker, and more appropriately on the Mac with less downtime. They never took a hard look at the elementary and middle school levels at a PC base. The high school laptops were PC based with some of the networking and development courses. He added that there were also MAC laptops but they were primarily PC based.

President Leeson noted that it would take some time to explore PC based computers.

Director Follweiler agreed and said that she was just curious if there was a study regarding the financial benefits from the use of either type of computer. She thought it was something she thought they might have done when they looked at the cost of the leases.

Dr. Lewis added that they were still in negotiation with Apple and their financial department and they were awaiting a response to their last discussion.

Mr. Arbushites commented that if they waited, did nothing, and went with the present lease; next year's lease payment would be \$974,000 and the following year the payment would be \$488,000. He explained that with the new structure, it would be \$795,000 for the next four years.

Director Cann questioned how much more money would they be committing for the new technology.

Dr. Lewis explained that it would be \$1,900,000 more over the four-year period.

Director Follweiler pointed out that they would have no new computers and the leases would be up on the existing computers, which would mean they would have to generate another maintenance contract or another additional cost that they were unaware of at the present time.

Dr. Lewis questioned if they could get another maintenance contract.

President Leeson stated that she understood they had the one-to-one laptop program in 9th grade with some at the 10th grade level, which were not particularly being heavily used. She questioned if they could reallocate some of those computers into other areas.

Mr. Arbushites explained that the 9th grade program was fairly absorbed into the Classrooms for the Future. There were floating carts in the buildings that serviced all grade levels. He added that Classrooms for the Future touched all grade levels in math, language arts, science, and social studies in the high schools.

President Leeson asked Mr. Arbushites if they had the one-to-one laptop program in the 9th grade at the present time.

Mr. Arbushites replied affirmatively and noted there were no one-to-one laptop programs in any of the schools.

President Leeson questioned the usage of the carts.

Mr. Arbushites responded that the carts were heavily used. He commented that the carts that floated in the high schools which were the original 9th grade one-to-one laptops were being used heavily by teachers in all subject areas with the only exception of the Classrooms for the Future rooms because they already had computers.

Director Koch asked why they continued to stay with Apple and why they did not seem to ask for Dell, IBM, or other companies to send their bids. She suggested that they might be lower and the district might have a better chance with those companies.

Dr. Lewis replied that he appreciated her concern for the economic impact. He noted that the software base was clearly in the Mac family and he could not recommend other companies. He thought Apple was sharpening their pencil and were not quite where one could get a cheap HP or Dell. He pointed out that he had a cheap Dell at home and had to send it back on two occasions. It was not his intention to criticize the manufacturers, but stated that Apple had a very good record of resiliency and more importantly the software base, especially in the elementary and middle schools was clearly in that arena. He added that many of the high school media arts areas were strictly Mac and in their business technology offerings, they were 100 percent PC.

Mr. Washington added that they also had to think about their teaching core as well. They tended to discuss one-to-one in students, but they had a huge teaching core that was dependent upon technology, so a part of it was looking at them as well.

Director Tenaglia inquired about the SunGard system used and asked if it was available on both Apple or on a Windows group system.

Mr. Arbushites replied affirmatively noting that the SunGard systems were used on both PCs and Macs.

Dr. Lewis pointed out that they were web based so they floated between the platforms. He mentioned that they had an occasional issue or two, but they solved it.

President Leeson questioned if the board was ready to decide upon the restructured leases. She thought that Dr. Lewis needed the direction very soon. She asked what information was needed by the board in order to make a decision on the restructured leases.

Director Follweiler was curious as to how many computers the district currently had and how many did the decision affect. She expressed that she was personally okay with the restructuring of the lease because she believed it would be more costly in the long run if they did not restructure it at the present time. She added that she wanted to look at a lot of other differentials but if she had to decide today, she would leave it in the budget as it stood. She reviewed that she would like a chart of the number of computers serviced throughout the district.

President Leeson asked if it would be difficult to obtain the number of computers, their age, their current usage, and the type of warranties on them. She thought they could not get parts for some of the computers.

Mr. Arbushites pointed out that it was a very strong reason to look at a restructured lease. He reviewed that Mr. Washington brought attention to the teacher's computers, which would be going into their seventh year. Apple notified them that more than half of the logic boards for the teacher's laptops were no longer available. He added that they depended heavily on them for grading, attendance, integration of technology for teaching, and research. He thought there would be a real problem down the road if they did not do something with them.

Dr. Lewis stated that in fairness to Mr. Arbushites, there would be 14,000 to 15,000 systems that had to be sorted which would produce a voluminous report.

President Leeson commented that they did not need every system.
Director Follweiler added that it should be a summary of the leases.

President Leeson reviewed that they ordered the computers in sets with a certain amount of models having a specific age.

Director Koch said that she would continue to agree with the new contract if they would also agree sometime during the contract to look at IBM and Dell to see if in the meantime they started to realize they were losing a huge market and might start to develop some software of their own, which would be new and modern software. She expressed that she wanted them to check them out.

Director Cann asked if under the extended restructuring, were all, or a certain percentage of the computers eventually replaced.

Dr. Lewis replied that only a percentage would be replaced over the course of the few years. They would still be running some six-year old systems. He noted that there were other funding sources that funded some of the computer purchases.

Director Cann inquired about the approximate amount of replacement computers provided.

Dr. Lewis agreed to obtain the information for the board.

President Leeson addressed the math and literacy coaches that administration wanted to add back into the budget. She requested more information on the two literacy and the two math coaches.

Mrs. Katona offered that the math coaches were used at the middle schools since they placed accelerated math into the 6th grade. Each coach worked with two schools. She stated that Mrs. Victory looked at the accelerated 6th grade math program and noted the teachers were basically elementary certified so she wanted to be sure they had the appropriate support in order to bring forth the math program at that level. She added that the math coaches did some co-teaching in the classrooms. At the high school level they had a literacy coach in each building, but at one school they decided to divide the position between two people. It consisted of people trained in reading apprenticeship, who worked across all subject areas, to offer support and strategies and also to help them with some differentiated instruction. She pointed out that two of the hardest hit areas in the high schools with regard to literacy coaching were with the critical literacy course at the 9th and 10th grade levels. The coaches were available to all teachers at the high schools. They wanted to continue to have the coaches in place to support the teachers with the necessary strategies to use with a variety of students in any given class.

Mrs. Cintrón explained that the positions were all funded as part of the PA-Pact Grant in the current year under the ACT funding. She explained that PA-Pact consisted of three grants in one – the EAP (Educational Assistance Program) grant, ABG (Accountability Block Grant), and the ACT. The ACT money would be replaced in the coming year with the SFSF (State Fiscal Stabilization Funds) money. She explained that the positions were critical because of the AYP status at the high schools so the logical progression would be to put them in the replacement fund that was replacing the ACT funds.

President Leeson commented that the middle school accelerated math program was not for all students and inquired how many students at each school were involved.

Mrs. Katona replied that she could obtain the data but noted that it would expand into 7th grade and they would have more entering into 6th grade next year. The program would continue to grow.

Dr. Lewis pointed out that the teachers were added at the top of the expenditure side and the assumption was that Mrs. Cintrón said they would be subsidized under the revenue side of the \$1,990,000 on the SFSF (State Fiscal Stabilization Funds). He explained that it was more of an accounting mechanism. The grant was replaced with the stabilization funds.

President Leeson wondered if it would be more efficient to put the coaches into the 6th grade classrooms if they were math certified for higher level math courses, rather than having them coaching someone who was not certified.

Mrs. Katona explained that they only had two coaches so all of the middle schools would have to coordinate their schedules so the coaches would be able to be there at different times. She further explained that their presence as a coach was ongoing professional development that was building capacity in the schools. It went beyond the initial support given and really helped to fill the roots of something greater, which was the collaboration between the teachers and learning more about ways to teach math that they could take into other classrooms as well.

Dr. Lewis referred to raising rigor.

President Leeson replied that it was raising rigor but in limited classrooms. They could be doing staff development across the board but noted that it was discussion for another day.

Mrs. Katona said that they didn't work regularly with other teachers but they provided support during team time. It was not as if they worked with one teacher and were out of the building. They were there affecting a greater population.

President Leeson inquired if the board was prepared to put the math and literacy coaches back into the budget as recommended by the administration. She expressed that she was not very fond of it but believed that everyone else supported it.

CONSENSUS –
REINSERT
MATH/LITERACY
COACHES

President Leeson addressed the SPARK proposal with the utilization of the Title I funds. She noted that most of the program would be covered.

Dr. Lewis estimated an amount of approximately \$100,000 that would not be covered.

Director Koch commented that she would vote for SPARK to be included but she would continue to ask for the information which she had been requesting for some time, which was if the students who left the SPARK Program were actually coming into the Bethlehem School District and not moving to another district.

Dr. Lewis replied that it was 79 percent and agreed to share the analysis with the entire board.

Director Follweiler said that since the board was exposed to information and studies regarding Prekindergarten, she thought it opened a large can of worms because most of the studies discussed were about Pre-K education in general. She thought the question was coming down the road about why the SPARK Program was so limited and why weren't more students exposed to Pre-K education. She believed it was a large issue, which wasn't necessarily in this year's budget and wanted everyone to think about it whether it was good or bad. She suggested continuously looking at all of the SPARK expenses for this year's budget, just as they did with RASA. They needed to address what they would do in the future and how the secretary of education discussed looking at the local tax base. She noted that the stimulus money was also coming out of every taxpayer's pocket. She added that the government was not a profit sharing business but was funded by tax money so they had to look at what they would do in the future. Director Follweiler concluded that she agreed that the earlier education began, the better off the child, but what would be the financial impact down the road.

Dr. Lewis replied that he thought her question was reasonable and believed they would see some national initiatives with the current president in Pre-K programs. He agreed that the governor's office needed to step up to the plate as well. He stated that when he and Mr. Majewski recently spoke with Dr. Zahorchak, he noted that he was emphatic about assisting them in not eliminating the Pre-K program because it was too critical. Dr. Lewis added that Dr. Zahorchak was personally committed which was why he thought he directed his bureau chief to craft the district-wide exception.

Director Follweiler commented that as a district, they needed to look at their expenses with the program and attempt to make sure a quality education was given to the students while making sure their belts were as tight as they were for every other person out there at the present difficult financial time.

Dr. Lewis said that they wanted to build the budget with the concept of the Title I stimulus dollars paying for the operation, which was previously paid for by the general operating budget.

Director McKeon reviewed that last week he and Director Tenaglia visited SPARK and witnessed two presentations, along with a question and answer session. He noted that one question from a parent was if they would have to go through a yearly challenge regarding the approval of the program. He responded that he prayed they did not have to do it but it was also something they could not ignore. He added that another request was that if the program was eliminated, would the parents receive adequate notice to make other arrangements. He said that he told them they would know by June 30 and they would be notified as soon as possible.

Director Tenaglia brought attention to Director Koch's earlier question regarding the SPARK Program. He noted that on March 13, the board received an email from Mrs. Ostman that resulted from a meeting that he and Director McKeon had at SPARK on the previous day. He said that out of 1884 children who completed the SPARK Program, 1500 or 79.6 percent were still enrolled in the district. There were SPARK graduates in all grades from kindergarten through grade 12.

Director Cann inquired about the cost to the district for the program.

Mr. Majewski replied that the costs to the district would be the utilities, the two custodians and transportation.

Director Cann stated that she saw they had contributed \$875,000. She asked if it would be subtracted from \$1,143,000, which would amount to \$268,000 from the district.

Mr. Majewski agreed.

President Leeson inquired if transportation was a requirement for the SPARK Program.

Dr. Lewis replied that although transportation was not required, he thought it was essential for the program.

President Leeson stated that she requested information from First Presbyterian's five day preschool program and noted that their cost was approximately \$500 per month.

Dr. Lewis responded that there was no comparison because they were not running according to the Early Childhood Development Educational Standards. He was sure the congregation embraced the families, but he did not think they were doing the family component offered at SPARK. He added that he did not intend to demean, but their program was more childcare oriented than educational, so their costs would be less.

President Leeson replied that she was aware of the program because she served on the board. She added that it was educational with a childcare and educational component. She commented about Director Follweiler's point regarding the program and that they had to look at tightening their belts in every area. She thought many other areas had brought forth ideas as to how they would tighten their areas.

Dr. Lewis expressed that if they looked at the offsets of approximately \$2,000,000 in state assistance, he thought they would be getting a bargain for the students. He commented that the program was far too valuable and the more they cut, they would be pay more down the line. He added that Mr. Agretto warned of the potential for being pummeled with identifications.

President Leeson questioned why the district should pay for transportation.

Dr. Lewis replied, "Who would pay?" If he could not get the children there, he could not educate them.

President Leeson noted that although the \$2,000,000 was not coming out of the general operating budget, there was still a cost of operating the SPARK Program. She reviewed that Director Follweiler brought attention that it was still tax dollars.

Dr. Lewis responded that one could argue it if the money could be returned to the taxpayer, but guaranteed it would go to another institution would use the money.

President Leeson wondered where they could reduce costs, noting that one of their costs involved transportation, custodians, and utilities. She asked if there was a way to assess transportation for the students or allowing parents to carpool. She pointed out that transportation was not provided to any other preschool program and was unsure if transportation was provided at any other public preschool program. They needed to look at nonmandated expenses.

Dr. Lewis respectfully disagreed; stating that he believed they would be seeing increased absenteeism and a lack of parent involvement. He thought they needed to be careful in an attempt to save on one end at the expense on the other end. He did not want the program jeopardized in terms of attendance, to only have higher identifications on the other side. He preferred to find \$200,000 elsewhere.

President Leeson questioned where he would find the \$200,000. She asked if it would be taken out of classrooms where there were students presently in programs resulting in more problems with their current population.

Dr. Lewis replied that he could not answer that but just stated that he would rather consolidate elsewhere. He thought the program was critically important to the incoming students, reflecting that he had expanded the program with state funding.

President Leeson commented that she was not asking to eliminate the program and thought it was wonderful that they were looking for alternative sources.

Dr. Lewis stated that they might have another source of dollars but he was not prepared to reveal it.

President Leeson stated that Dr. Lewis said that about half of the Title I money which was currently going towards SPARK could be used in other places.

Dr. Lewis responded that they were not sure and did not begin the analysis because there were supplanting issues. They were told by the Pennsylvania Department of Education that they could not just go in and wholesale supplant so they needed time for analysis. They just received the information and were not prepared to discuss the other categories. They did what they could to frame tonight's meeting around the fact that they could drop the millage impact. He commented that there might be further impacts but he did not want to bank on it because he nor Mrs. Cintrón were not certain.

President Leeson thanked Dr. Lewis for honoring the request of many board members by staying at 5 percent or lower and to address the deficit, which was done.

Director Amato commented that if they could not get the students to the program on a regular basis, then they might as well cut it out. He thought that was what President Leeson wanted. He reviewed that the program would cost the district \$268,000 with everything else taken care of by grants. He stated that President Leeson said that she wanted the superintendent to find some other class to cut.

President Leeson asked Director Amato to not misquote her again. She stated that she said over and over that she was not looking to cut the program.

Director Amato replied that she did not say it in so many words, but he interpreted everything she said about the cheaper programs out there and her suggestion to take away transportation as if she wanted to cut the program.

President Leeson clarified that she clearly stated she was not looking to cut it.

Director Cann stated that Director Amato had completely misstated the positions of both President Leeson and Director Follweiler. She reviewed that nobody said to get rid of the program.

Director Cann said that everything was getting tightened in every area and added that they were able to reduce maintenance and utility costs with cuts across the board in many programs. She thought the goal was to make sure that every dollar spent was the most economical to have the leanest possible budget.

Director Follweiler clarified that their job as a board was to review, analyze, and question in a public forum, which meant that their questions needed to be publicly stated. She did not think it was out of the realm to inquire about transportation and did not read that President Leeson was trying to say to cut transportation but rather to look at transportation. She thought they might look at consolidating bus stops such as an area to save money. She stated that they were looking at ways to save money but not stop transportation and not just for SPARK but for other things. She reviewed that there was a building dedicated to SPARK and questioned if something else could be used in that building. They were the same questions asked about the Career Academy, RASA Program, and any other alternative education program brought to the board. She noted that it might be a savings of \$5,000 but it was still money that did not have to come out of a tax increase or could go back into the contingency fund. The questions would be asked whether they were discussing the football stadium, renovations at Broughal, or potential changes to Nitschmann Middle School. The board and administration must ask the questions before they could do it.

Director Amato replied that he did not think he misinterpreted President Leeson. He noted that she said that transportation was not mandated. He agreed that they had to ask questions but with the SPARK Program they received notification about stimulus and grant money with the exception of \$200,000. He mentioned that carpools might work, but they needed the utilities to run the building.

Director Koch commented that when they were originally putting the SPARK Program in place, they were looking at “at risk” children with those children coming from lower economic families. She thought that they would be even hit harder on those families in the current economy to take buses daily to transport their children.

President Leeson asked the board if they wanted additional information or if they were prepared to accept the recommendations of the administration to keep the SPARK Program as listed.

Director McKeon commented that it was a two-year band-aid and if the economic situation did not improve, they would be having the discussion again in another year.

Dr. Lewis agreed, stating that he thought the budget was a two-year approach.

Director Tenaglia expressed that the monies on the document referred to one year. He added that there were commitments for two-year stimulus money, but they were looking at a one-year commitment.

Dr. Lewis noted that both directors were both correct in their assessment. He reviewed that what was guaranteed in the package was a two-year commitment, albeit the numbers were slightly different but in the same ballpark. He pointed out that the secretary of education stated that what applied this year would apply the following year.

Director Tenaglia commented that they also had a risk because what they initially saw from the governor's proposed budget was an increase in educational spending and once it became clear that there would be stimulus money, the governor was going to transfer some of it to prior commitments and use the stimulus money to fund his budget proposal. He stated that the money went through many filters.

Dr. Lewis replied that the stimulus money would remain constant and agreed that the basic education formula, as pointed out by Mr. Majewski, was still subject to legislative approval. He said that he thought they had been modest in their assessment.

President Leeson inquired if any board member was opposed to keeping the SPARK Program in the budget as proposed by administration or if they felt they needed more information.

Director McKeon stated that he was not opposed to it but wanted someone to reassess the residual costs.

Director Follweiler inquired if the other alternative programs such as RASA and Career Academy fell into the same category regarding the origin of the funding.

Mrs. Cintrón replied that she did not know the answer but would look into it.

Director Follweiler added she just referenced that both of those programs were significantly cut back.

Mrs. Cintrón stated that it would definitely not apply to Career Academy, which was a high school program because the high schools were not Title I.

Dr. Lewis said the other part they discussed was RASA, which might partially apply because the grant was driven to the school and as Mr. Majewski crafted their budget, the dollars followed the students sent to the program.

President Leeson announced that she felt the board was ready to move with the program.

President Leeson brought attention to the rifle team, noting the earlier spokesperson, and asked the board for input.

Director Cann stated that it was the only sport they asked to be completely recharacterized. They did not ask that of any other sport and it was not fair. She noted that they were in the Northeastern Pennsylvania Rifle League, which was a local league involving competition with schools such as Salisbury, Emmaus, and Southern Lehigh. She added that their transportation costs were minimal. She pointed out that they might not be able to exist if they went to club level if the coaches were not paid. They could not expect the coaches at each high school to stay on for free.

Dr. Lewis mentioned that they could pay the coaches an advisor fee. He appreciated the speaker's comments but thought that club and varsity teams were permitted to compete against each other so they wouldn't lose the ability to compete. He noted that it was a board decision and explained that as Dr. Donaher did his review, some of the athletic costs needed to be decreased. He said that it was an area that would still exist with club status. He advised to be careful about the reinstatement of items.

Director Cann pointed out that it was an exception to the way everything else had been treated.

Dr. Lewis replied that a lot of the different teams had reductions in terms of equipment and staff.

Dr. Donaher commented that most of the other cuts were across the board with the other athletic teams. He pointed out the elimination of middle school co-ed soccer, which was included in the \$25,000 reduction.

Director Cann replied that she wouldn't really compare middle school soccer to a high school varsity sport in existence for fifty years. She thought it was an important sport in the high school and questioned the fairness if they made it a club sport and did not pay their coaches. She said they were not asking for a cost reduction but rather wiping it out by not contributing any money to them.

Director McKeon commented that he discussed it last year and reviewed that the district could keep the program by reviewing the coaching staff and cutting back in certain coaching staff slots. He thought the cuts would subsidize the rifle program. He reviewed that the contract stated how much a coach was paid and the school board decided the number of coaches. He thought they should open up all of the sports to evaluate the salaries of assistant and head coaches.

Director Amato commented that he did not think it was something they could just cut out without opening up a can of worms.

Dr. Lewis asked Mr. Zieger to confirm information about the contracted coaching staff.

Mr. Zieger stated that the salary and positions were contractual items.

Dr. Donaher said they were in the process of putting together a survey with Mr. Harris and Mr. Seneca to poll other schools similar in size regarding the number of coaches per sport. At a glance, they were either even or slightly lower staffed than other similarly sized school districts. As far as he could see so far, they were not higher staffed than any other school districts. He pointed out that the inquiry was regarding paid positions. He added that some coaches were considered .5 status and still came to the practices full-time but were willing to take a reduced salary to benefit the students and team.

Director Follweiler asked how many students were involved in the rifle team at both schools.

Dr. Donaher replied that it was usually between 25 and 30 students per school.

Mr. Miller addressed the board, stating that prior to the construction at Liberty High School, they had over 50 students come out for the rifle team. During construction, he had limited space because they were sharing with the computer lab and the fitness room, so the numbers were slightly lower. He said there were between 25 and 50 students per school.

Director Follweiler commented that it was a significant number of students and thought there were other sports that had less participation. She thought that a \$12,000 line item could potentially hit 25 to 50 students or more. She also brought attention to competitive cheerleading with regard to club status. She did not believe it was competitive cheerleading.

Dr. Donaher stated that cheerleading was not considered a PIAA sport. He pointed out that it might be one in the near future.

Director Follweiler said that it was not club status but rather an athletic group. Dr. Donaher expressed that they supported cheerleading, which was now referred to as "spirit cheer." He noted that competitive cheerleading had evolved over the last few years where the events were held and the spirit team had been morphed into a competitive cheer team.

Director Follweiler stated there were three different types of things they recently heard which would fall into a club sport.

Dr. Donaher commented that girls' lacrosse and the rifle team were PIAA certified but rifle did not have a state championship.

Director Follweiler stated that lacrosse did not receive district funds and if the rifle team was moved to club status, it would also not receive district funds. She pointed out that there was a memorandum, which discussed transportation payment for competitive cheering, which was in a gray area and not designated as a club or an athletic sport. She wanted to ensure that everyone was treated fairly. She asked if the rifle team would receive funding for transportation if it became a club sport. She suggested putting the \$12,000 item for the rifle team in "black" and get some of the community service people to volunteer and take it out of that "black" file.

President Leeson asked if the board needed additional information about the rifle team before making a decision to include or exclude the item.

Director Koch inquired about Director Amato's opinion considering that he was the District XI representative for PSBA (Pennsylvania School Boards Association).

Director Amato thought it was a "no brainer" if they could get 50 to 100 students between two schools involved in a program at a cost of \$12,000.

President Leeson inquired if there was opposition to putting the item back into the budget. She noted a consensus in support of reinserting the rifle team.

CONSENSUS –
REINSERT
RIFLE TEAM

President Leeson asked if the members of the board had any other areas for discussion.

Director McKeon inquired about the three FTE general duty aide reduction and a nonrecommended five FTE reduction. He asked why the entire eight were not included.

Dr. Lewis replied that it was for five FTEs but equaled ten people. He said that Mr. Washington evaluated the fact that they could lighten the number. The original amount was sixteen and they took six for three FTEs, which still would permit them to provide service across the sixteen elementary schools. It affected the noon aides responsible for recess and cafeteria supervision. They did not see it as reasonable to take all of them because it would then fall back upon the principals who were already heavily laden with responsibilities so they compromised and reduced the numbers in both schools that had multiples.

Director McKeon questioned if only certain elementary schools were impacted.

Mr. Washington explained that all schools would still have aides but it was a matter of scheduling with regard to the number of classes. They determined that some schools could deal with a reduction and some could not. They were generally 3-hour duty aides.

Director McKeon addressed the attendance services monitor in “green.”

Dr. Lewis explained that the “green” represented one of three people. He said they currently had an attendance officer and an attendance monitor. One of the monitors had tentatively departed and they felt they could sustain the elementary schools with one monitor.

Director McKeon inquired about the primary responsibilities of an attendance monitor.

Dr. Lewis stated they were responsible for trancies, citations, for handling the visitations when students did not report to school, to verify unlawful withdrawals, and to appear in court for citations.

Director McKeon explained that it was his understanding that when they appeared in court and a monetary fine was assessed to the parent, the monitor receives money for the court appearance.

Mr. Washington replied, “absolutely not.” He added that the truancy money came into the school district, but not to compensate the attendance officer.

Director McKeon requested a head count for the amount of individuals who would be losing their positions due to consolidation and not related to retirement.

Dr. Lewis noted that the support technologist position listed was eliminated through attrition. He thought the individual who spoke was addressing the coverage.

Director Tenaglia addressed the Driver Education Program, stating that he thought there was a board consensus to not eliminate the program. He noted the reduction of \$62,000. He was not comfortable voting without further administrative comment as to why they felt it was a critical reduction.

Director Cann stated that she was personally fine as far as the program being eliminated. She thought Director Tenaglia referred to the statement previously made that it would be foolish to eliminate the entire program because they were tied into a lease.

Dr. Lewis commented that there was a small third year commitment of approximately \$10,000 and it ended after this year.

Director Cann stated that she thought that was the reason they thought it would still be in the budget.

Dr. Lewis said that they felt it wasn't judicious to pay \$72,000 for the program.

Director Follweiler clarified that the money was for the on road Driver Education Program paid through the Intermediate Unit and it would not eliminate driver education from the classroom.

Dr. Lewis agreed.

Director Follweiler thought that she posed the question of how many students were eligible for the on road instruction and how many actually participated.

Dr. Lewis stated that he thought the information was provided.

Dr. Donaher commented that he would regenerate the information.

President Leeson believed that two years ago they committed to three years at the time they committed to \$10,000 per year for the leasing of the cars. She noted that they would be paying \$10,000 for absolutely nothing. She also pointed out that if they did not have on the road instruction, they would save \$62,000, but they also would not be training their students as well.

Director Koch thought that it depended upon the enrollment information they were awaiting. It might be that just a small percentage of students actually were able to get into the class. She did not think that all of the students were interested.

President Leeson commented that it was her observation that it was not a particularly well-publicized program and believed there were students who were unaware that they could get into the program.

Director Koch recalled that when she was in high school it was competitive to get on the list and she did not think that it had improved.

President Leeson stated that the Driver Education Program was formerly part of the cycle with physical education and health in the 10th grade. It began as an in-classroom program with the "on the road" program as a separate class.

Director Koch commented that all of the students received instruction in the classroom.

President Leeson disagreed and noted that it was presently an elective. She was not sure if the program was being promoted to the students so they received "on the road" training.

Dr. Lewis brought attention to the case of mandated programs.

Dr. Lewis further explained that they were mandated to have a planned course for social studies, mathematics, science, and English but were not mandated to offer driver's education. If one looked at the total number of 16-year-old students and older, compared to the percentage of participants, the count was small. He cautioned about adding items back into the budget. He thought, from an administrative perspective, to discontinue providing "on the road" service.

President Leeson announced a five-minute break as requested by Director Cann.

Director Follweiler addressed the sale of the Monocacy Building listed in the "green" portion of the document. She commented that she could not believe it was only worth \$50,000. She added that she was aware that it was an estimate but could not believe that it was the value.

Dr. Lewis stated that he believed it was worth more but he noted that Mr. Majewski took a conservative approach.

Director Follweiler inquired if the salary listed for two teachers cut from Career Academy was the present salary for the teachers presently in the program.

Dr. Lewis replied that it was listed as an average salary that included an adjustment for benefits.

Director Follweiler asked how many teachers were remaining.

Dr. Lewis responded that he thought they were adequately staffed but inquired with Mrs. Robledo-Shorey about the total amount.

Mrs. Robledo-Shorey replied that there were four core teachers, one business teacher, and one guidance counselor.

Director Follweiler stated that someone asked her a question about the Career Academy moving into Freedom High School and the staff would be available for other services in the building.

Dr. Lewis disagreed and stated that on the contrary, they would be looking at the possibility of picking up some physical education, art, and music from a teacher who would come into their area.

Director McKeon inquired about the idea of moving it from the present location to Freedom High School.

Dr. Lewis responded that the thoughts were related to the proximity of the vocational school, where they were attempting to develop more partnerships. They could also pick up just one course instead of the entire afternoon. The students currently had to pick up the entire afternoon. He further explained that Mr. Williams was looking at a flexible schedule where they would be able to take one course and additionally would assist them with a co-op arrangement.

Director McKeon agreed that it made sense because otherwise they were being transported from Liberty High School or another building, which would incur multiple mid-day transportations.

Director McKeon asked if it was anticipated that students would be moving into the hallway.

Dr. Lewis replied that he did not want to say that a student wouldn't get permission from the principal to take a CAD class or another subject down the hall but it was not their design.

Director McKeon noted his concern was their original location and if they moved into another class they could be subjected to harassment or hazing from the main student body. He commented that he was attempting to read the Freedom parents, noting their thought processes were either that they did not want them in the building or were truly concerned about them being subjected to teasing or other issues.

President Leeson asked for a consensus on the recommendation of the administration regarding the Career Academy Program.

CONSENSUS –
CAREER ACADEMY
PROGRAM

Director McKeon stated that it might be the next budget year before the sale of the building.

Dr. Lewis replied that it was fair and made note of the contingency adjustment.

Director Tenaglia brought attention to Mr. Majewski's presentation when he discussed the reduction of the additional retirements from ten to two. He noted that he did not hear an associated dollar figure.

Mr. Majewski explained that it was listed as a \$200,000 reduction. In other words they added \$200,000 back into the budget.

Dr. Lewis stated that it was a calculation for April 22 and they could see one, two or possibly more.

Director Tenaglia pointed out the unused sick leave for retirements. He said that he assumed it was predicated on ten or two retirements.

Mr. Majewski explained that it was predicated on twelve.

Director Tenaglia said they should have a different number than the \$65,000.

Mr. Majewski replied that \$65,000 was still appropriate.

Director Tenaglia commented that it would be appropriate for the official notification of retirements to date.

Mr. Majewski agreed.

Director Tenaglia addressed “other professional services-legal.” He stated that they had some discussion in executive session, but he wondered if the discussion was predicated on \$40,000 or was the amount in addition to it.

Mr. Majewski responded that he was somewhat concerned about the reduction. He explained that if it continued on the current path, it might require them to reinstate some of the budget for legal fees instead of having it as a reduction.

Dr. Lewis stated that he met with Attorney Spry today but did not have a chance to have discussion with Mr. Majewski. He thought they might be able to offset some but concurred with Mr. Majewski that it was a “bouncing ball.”

President Leeson polled the board regarding the reinstatement of \$40,000 back into the budget.

Director Tenaglia commented that he got a sense from Dr. Lewis and Mr. Majewski that part of the next budget revision would show a different amount and possibly the elimination of the \$40,000 savings.

Mr. Majewski said that he anticipated they would review it carefully and it might require an adjustment. He thought they needed further discussion.

Dr. Lewis explained that he needed to inform Mr. Majewski about his conversation with Attorney Spry. He also said that he would discuss with the board during executive session considering that it was contractual.

Director Tenaglia addressed “debt service-improved market conditions.” He thought they would see a report showing the net results of the reissuance after they completed the West Cornwall refund. He also asked if any of the restructuring regarding West Cornwall or the proposed Shippensburg restructuring part of the \$290,000.

Mr. Majewski explained that he took into consideration what occurred with the West Cornwall set up, the dissolving, and the fixed rate.

Mr. Majewski took into consideration the total outstanding debt service and added back the value of what he thought would be the current negative values of the swaps with a 4.25 percentage rate of interest, which was how the interest expense currently stood at the present time. He noted the amount computed was 4.25 percent on approximately \$350,000. He stated they had \$275,000 outstanding debt, which he added.

Director Tenaglia commented that he projected the 4.25 percent interest not only for the revised variable to fixed on the issue to replace West Cornwall but also carried the 4.25 for the three other components. He thought he had budgeted a 4 percent rate for the current year during the previous discussion.

Mr. Majewski stated they had to add some additional monies for market conditions and as they were working through the issues, he was able to lower it for a reduction. He explained that there was the cost of the termination and the outstanding value using 4.25.

Director Tenaglia noted that increased borrowing absorbed the cost of the termination.

Mr. Majewski explained that it was why he had to do the 4.25 on the total values. He had to add it back.

Director Tenaglia asked Mr. Majewski if he was comfortable with the restructuring they just completed and the proposed restructuring for Shippensburg that they were realizing almost \$300,000 debt service.

Mr. Majewski replied that if everything stayed the same, at this point, he was comfortable with it.

Director McKeon addressed the proposed \$30,000 reduction for athletic supplies and uniforms.

Dr. Donaher responded that he communicated with the athletic directors to delay a year with the purchase of new uniforms and to attempt to consolidate regarding the need to replenish uniforms. He also asked them to reconsider reordering supplies such as using their current inventory for another year.

Director McKeon stated that he believed they deferred new uniforms in last year's budget. He asked if there was deferral or elimination in the present budget.

Dr. Donaher replied that some from last year were being purchased. They were also looking at replacements with other companies rather than the original vendor because they could buy a replacement uniform cheaper although they looked exactly the same.

Director Cann suggested discussion on the possibility of eliminating the Community Service Program for a savings of \$75,000. She pointed out that it was not an academic program and was not part of the structured after-school activities. She added that it was extraneous to all of it and could not really be considered necessary in any way.

Director Follweiler said that she made the suggestion a few meetings ago that the whole theory behind the Community Service Program was to teach the students about volunteerism in the community so that by it being run by salaried people was not necessarily being looked at as volunteerism. If they looked at volunteers to run the program, much like they had volunteer coaches, perhaps it would be a way to teach the students that volunteerism existed in the community.

President Leeson commented that she believed it was a course of study equivalent to .5 credit at the high school level and was considered mandatory for graduation. She thought the job to monitor the students and agencies was a fairly big job.

Dr. Lewis added that he was not sure if a volunteer could manage it and he was also unsure about their liability exposure. From a philosophic point of view, he thought the students were better off from the learning experience and although it was not mandated, it would be a tragedy for the program to be shut down.

Director Cann stated that from a philosophic point of view, she was never in favor of mandatory volunteerism and also did not support the program at a cost.

Director Koch commented that she was initially opposed to the program; however, they held a series of meetings where they worked on many of her concerns, such as the safety of the students. She agreed with the philosophy and considering how hard many people worked in an attempt to compromise, she was willing to stay with it at the present time.

Director Follweiler agreed philosophically with Director Cann regarding forced volunteerism. She was aware of the past discussion and debate but thought that it was something a child was taught at home.

Director McKeon inquired about the number of students who had not complied with the requirement over the years.

Dr. Donaher replied that he did not have the number offhand, but noted it was minimal.

President Leeson asked the board members if they wanted additional information on the Community Service Program.

Director Koch advised from past experience that they did not want to dig it up again.

Director Cann thought that if there was a split opinion, she would prefer to bring it up again when they had the presence of a full board.

President Leeson and Dr. Lewis agreed to pull it for further future discussion.

President Leeson inquired about the reduction of Welcome Classrooms.

Mr. Washington stated they would consolidate the two middle schools into one local class as to not eliminate the service at that level. There would be one teacher at Fountain Hill Elementary and one at Donegan Elementary and they would go back to the old system where there would have the primary and intermediate at each school.

President Leeson inquired about the cost.

Mr. Washington explained that the three classes would now be covered completely by grants so they would not have a district cost.

President Leeson commented that they just found \$176,000 to cut.

Mr. Washington responded that they knew they were reducing the program.

Dr. Lewis stated that he needed to verify the budget on that item and expressed that he was not certain that everything was covered by a grant.

Mr. Majewski added that he was not sure if everything was covered but he agreed to resurrect the information.

President Leeson brought attention to the Reading Recovery[®] Program and reviewed that they reluctantly cut some positions last year which they hoped would be replaced through grant money. She asked about their position with regard to the program and would they apply for grants during the current year to cover additional people.

Dr. Lewis replied that it was unlikely they would receive funding for the lead teacher. He said they were maintaining what they had in the current budget and stated that it was working. They would be using, in all probability, some of the stimulus money that had been shifted to the PA-Pact side to pay for the lead teacher. He explained that they were able to fund it with no additional impact. They were approximately 1.5 teachers off the mark from two years ago, but they changed the design and were servicing 1:3 in some cases or 1:4 and it was working. It was the administration's recommendation to continue the program as it was in the current arrangement.

President Leeson asked if there would be Reading Recovery[®] money available at the state level.

Dr. Lewis responded that he was not prepared to answer the question and inquired with Mrs. Katona.

Mrs. Katona stated it was her present understanding that if they continued being funded next year, the lead teacher would be pulled out of the district to such a great extent that they were see a significant impact to their program. She further explained that she would have to travel to districts near Philadelphia, Scranton and other areas because she had to make a certain amount of yearly visits to each site. She needed clarification but if they would go with the state funding, they would be putting their own district reading program at a great risk.

President Leeson thought they were involved with the Shippensburg program last year and questioned if there was other state funding available at that time of which they did not apply.

Dr. Lewis and Mrs. Katona both replied, "No."

Dr. Lewis added that they would stay with the cohort as far as the training piece, but they were not willing to loan them the district's lead teacher because they wanted more time.

President Leeson inquired if students won scholarship money for winning Scholastic Scrimmage.

Mr. Majewski stated that he would check and believed she was correct and thought it might have come in last year.

President Leeson expressed that she wanted to be sure that it would be going to the students rather than it being diverted.

Mr. Majewski reviewed that scholarship money should go directly to the student and not to the district. He believed there was scholarship money but he thought he rejected the check and advised them to direct payment to the students. He agreed to follow-up on her inquiry.

President Leeson asked about the disposition of the money received from the Warner Brothers filming of the Freedom High School play.

Dr. Lewis stated that he did not think it was received yet. He was unsure of its status and agreed to obtain an answer for President Leeson.

President Leeson commented that last year they made a reduction in anticipation of what they expected with regard to revenue and yet it came out even shorter than their lower expectation. She noted that this year, they again lowered their expectation and asked if they should be concerned that what they were anticipating might be unrealistic.

Mr. Majewski stated that based upon the way their revenue budget was built; it assumed little growth with reductions in most areas. He commented that the local economy lacked strength and believed that he was comfortable that the revenue budget reflected their conditions and reasonable expectations.

Dr. Lewis concurred with Mr. Majewski and stated that he thought last year was an anomaly and nobody could have predicted it with any accuracy.

President Leeson reviewed that they addressed the expenditure side but they also needed to ask about the revenue side.

Dr. Lewis replied that it was unpredictable and thought that Mr. Majewski had to use his best judgment applied to the historical data over time and believed he was conservative on the issue.

Director Tenaglia commented that he had several questions at the last Finance Committee Meeting, which Mr. Majewski was unable to attend, that dealt with the current year projections he had provided. He said he had some unresolved questions regarding the current status of the predictions for the remainder of current year, which he thought would also spill over to Mr. Majewski's projections for the next fiscal year. He inquired about the anticipated schedule for additional budget hearings and was concerned about fitting them in with the next Finance Committee Meeting.

President Leeson said that previously, she believed they put it with the May Finance Committee Meeting but questioned if the meeting should "stand alone."

Mr. Majewski stated that after he looked at the anticipated agenda for that night, he did not want to also have the Budget Hearing on that evening.

Dr. Lewis noted the date of May 6 for the Budget Hearing and if they needed a follow-up meeting it could be held the following week.

Director Tenaglia inquired if there was a need to approve another preliminary budget for the adoption of the final budget.

Mr. Majewski responded affirmatively and said he needed to have an advertising period before the final budget. He needed to have a preliminary adoption 30 days prior to the scheduled final adoption.

President Leeson expressed that they needed to advertise the budget prior to May 22.

Dr. Lewis explained that they had May 6, 13, and 20, if they needed three dates.

The following individuals addressed the Board of School Directors:

COURTESY OF
THE FLOOR
TO VISITORS

1. Mr. John Del Vecchio – 2061 Tenth Street, Bethlehem –
Mr. Del Vecchio stated that information was requested on the lap top computers. He reflected on a meeting in February when \$3,200,000 was discussed. At that time they came up with how many lap top computers were needed for that amount of money, which was 1,250. He commented that it should be in their notes if he had the information. He also brought attention to the stimulus package and how the money could be allocated. He knew they had full day kindergarten programs in the charter schools and was aware it cost the district extra money. He researched that there was money in the stimulus package that could be used for the preschool programs but that it could also be used for full-day kindergarten. He pointed out that he did not hear it discussed which was why he wanted to bring attention to it.
2. Stephen Schneider – 3605 Margate Road, Bethlehem –
Mr. Schneider inquired about the number of homeowners who had actually corresponded with the district regarding the tax increase.

President Leeson replied, “A few.”

Dr. Lewis stated that he received a handful of correspondence.

Mr. Schneider stated that it was obvious that revenue was one issue that nobody could know about, but pointed out that if the Dow went down to 4000, then it would be a completely different ball game. In terms of the cost cycle, the drivers were clearly salaries and benefits. He asked if the unions or employees been willing to agree to a decrease in salary or to agree to absorb more of the healthcare cost increases.

Dr. Lewis explained that Courtesy of the Floor did not generally involved dialogue, but he agreed to answer so that the public had information. He said that each union or association was different but two out of the seven groups indicated their willingness to look at it, while the remaining five have not stepped forward or committed to it but were not obligated to do so.

3. Nancy Lawrence – 3561 Stephen Crane Lane, Bethlehem –
Mrs. Lawrence addressed the board about RASA (Regional Academic Standards Academy) and asked them to not forget about the program.

Mrs. Lawrence pointed out that the students were also the poorer children like the SPARK students. She reviewed that they came to the board with cuts without trying to compromise the entire program. She was aware that it was a nonmandated program but she thought that if they did not intervene with the students in grades 4, 5, and 6, they would see special education costs rise. She requested that the RASA Program not be forgotten with regard to stimulus funding. She concluded that she heard a lot about Career Academy and SPARK, but did not hear a lot about RASA.

4. Craig Zieger – 4315 Holly Court, Bethlehem – President – Bethlehem Education Association –

Mr. Zieger stated that for over twenty-five years he was actively involved with the Bethlehem Education Association and probably had bargained between seven and eight different contracts over that period of time. It meant that he had observed the school district's finances including revenues and expenditures from different finance managers, including Mr. Majewski. He pointed out to members of the community that they had a pretty good deal in the district for a very long time. He added that their tax effort was either the lowest or the second lowest in Northampton County for the past 25 years and added that he could categorically show it to anyone. The instructional cost for teachers had actually decreased over the last five years going from approximately 52 percent of the budget down to approximately 47-48 percent and it primarily was because they lost approximately 300 teachers who were at the maximum salary level and hired approximately 300 teachers at the beginning level. Mr. Zieger also pointed out that their salaries ranked 14 or 15 out of 17 districts in the valley, depending on the outcome in Saucon Valley School District, and 300 out of 500 in all of the districts throughout Pennsylvania. He stated that Bethlehem had a pretty good product at a very reasonable price. He concluded that the teachers were really not interested in giving anything back in the contract.

The meeting was adjourned at 9:38 p.m.

ADJOURNMENT

Attest,

Stanley J. Majewski, Jr.
Board Secretary

APRIL 22, 2009