

BETHLEHEM AREA SCHOOL DISTRICT
BOARD OF SCHOOL DIRECTORS
BUDGET HEARING #5

MAY 6, 2009

The fifth 2009-2010 Budget Hearing of the Board of School Directors of the Bethlehem Area School District was held on Wednesday, May 6, 2009, beginning at 6:13 p.m. in the Dining Room of the Education Center, 1516 Sycamore Street, Bethlehem, Pennsylvania.

BUDGET
HEARING #5

President Leeson presided.

Members present: Members present: Directors Amato, Cann, Dexter, Koch, McKeon, Tenaglia, and Leeson – 7 Members absent: Directors Follweiler and Haytmanek – 2.

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.

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.

The following persons addressed the Board of School Directors:

1. Pat Geritchten – Bethlehem –

Mrs. Geritchten shared her story about the adoption of her daughter, Ayday explaining the communication, social, and motor skill challenges she had when she came to the country. She noted that she was thrilled to learn about the SPARK Program and enrolled her in the fall. She stated that with the help of the SPARK Program's amazing teachers, Mrs. Stom and Mrs. Hernandez, her daughter was beginning prewriting skills, cutting with scissors, and was speaking in sentences. Her daughter had such a love of reading that she spent hours reading books on her own with one of her favorite things to do was to visit the library. More importantly, her daughter had developed self-confidence, self-esteem, and pride.

Mrs. Geritchten pointed out that Marilee Ostman invited the board members to tour the school at the January Board Meeting. She was sure that if they visited the school, they were probably very impressed. She noted that there were over 200 children who attended the SPARK Program this year and was sure the families had their own unique stories to tell about how the program made a positive impact on their child's life. She added that the children would be attending kindergarten next year and thanks to the SPARK Program, they would be at the same academic level as the children who had attended private daycare and preschool programs. They would also attend elementary, junior high and high school together. They could attend college or get a job in the community or somewhere in the state. They also might move to another state in the country or travel and explore the world. She did not think it was hard to imagine considering her adopted daughter's story. The children might have the opportunity to experience other parts of the world after graduation or like her daughter, who came to Bethlehem from another part of the world and was fortunate enough to experience the SPARK Program. She concluded that the impact was great, lifelong, and it made a difference to them and to us. She stated that they were our children and were our responsibility and future and it was our responsibility to give them the best possible opportunities. When the board decided about the SPARK Program, she asked them to remember her daughter, Ayday, and her story.

2. Laurie Muller – 4623 Kathi Drive, Bethlehem – teacher and intramural
Mrs. Muller stated that she was a teacher, intramural supervisor at Nitschmann Middle School, and a parent of three children. She was a huge advocate of the middle school soccer program and noted that this year alone they had 123 girls and boys participating across the four middle schools. The number only reflected the number of students currently rostered. They had close to 190 students try out for soccer amongst the four middle schools. She pointed out that the number represented an ongoing increase of student interest in soccer at the middle school level. It meant there were 123 students being more active in their school and benefiting from athletic participation. If they cut the soccer program, it would eliminate the opportunity for the students to play a sport that represented their respective schools. The elimination of the sport would also impact the quality of the high school program. She pointed out that each middle school received new uniforms within the past two years, therefore, there would be not be a uniform cost for several years. It was recognized that transportation represented the largest cost component. The board was presented with the issue of transporting Broughal and Northeast students to and from practice daily. Without their own field, the teams needed to be transported to other district facilities for each game and practice session. She commented that the elimination of the soccer program would not eliminate the transportation cost because the same schools' softball teams were transported daily.

Mrs. Muller added that it was routine for the soccer and softball teams to ride together to the satellite practice facility. The cost would not go away by cutting the soccer program because the softball program would still be present and those teams would still be bussed daily. Mrs. Muller stated that by eliminating the soccer program, they would be left with only softball as a spring sport. There would not be a sport in which the boys could participate and in her mind it would be a travesty. She said that soccer was one of the largest athletic programs offered in the middle schools and to cut it would affect many more people than imaginable. She strongly urged the board to remove the co-ed soccer program as a line item to be eliminated from the athletic budget. She invited everyone to attend the middle school game tomorrow at the stadium to observe Northeast Middle School versus Nitschmann Middle School beginning at 4:15 p.m. She concluded that it was a great program with 123 students who had something to do from 3:00 p.m. until 5:00 p.m. to 6:00 p.m. every day after school for two months.

President Leeson commented that she thought that a number of board members would offer support.

3. Robert Eaton – 4627 Concord Circle, Bethlehem –

Mr. Eaton stated that he was the Bethlehem Township Athletic Association Soccer Coordinator for approximately six years. The association had 491 children registered for the upcoming fall season and they were not finished yet. He added that through the years he had the opportunity to work with many fine children and parents. The children as young as 8, 9, and 10 years old were totally “jazzed up” to have the opportunity to play middle school soccer. He explained that when they became 11, 12, and 13 years old and played middle school soccer, they were excited and had the aspiration to keep going onto high school soccer. He reviewed the high school soccer program results at both Liberty and Freedom High Schools and noted that it came from the feeder programs from both the athletic association and the middle schools. He noted that it was a lot of activity for many good kids and it kept them off of the streets, but, more importantly, it was the only spring sport for the boys. Mr. Eaton stated that everyone understood the need for cost cutting within the school district, but the soccer expense was minimal. He pointed out that there was plenty of opportunity to make cuts in other sports but was not suggesting it. He focused on the scheduling for basketball noting that East Hills Middle School boys played at Nitschmann Middle School with a bus run. The Nitschmann Middle School girls played East Hills Middle School on the same day. He commented that it did not make sense to run a bus from Nitschmann Middle School to East Hills Middle School with buses criss-crossing each other for the same facilities and same activity. He said there were many opportunities for more efficiency rather than to cut a sport.

Mr. Eaton pointed out that all sports built life-long friendships and recalled that when he was 8 years old he played soccer and for the past 45 years, his best friends were his soccer buddies. Together they learned how to win, how to lose, and most importantly teamwork, which everyone knew was critically important, whether it was the school board, or in the work place every day. He added that it taught values. In conclusion, he suggested finding better processes and to not take away from the kids.

4. Ann Feigl Johnston – 1028 Main Street, Bethlehem –
Mrs. Johnston was present to speak about the middle school soccer program. She stated that she wanted to add a few things about the soccer program in the district of which she thought was unique. It was one of the few sports played on an equal level by boys and girls at the same time. She thought it was one of the most diverse sports in the schools and a tremendous opportunity for the students. Her son attended Northeast Middle School and participated in a game today at Nazareth. She believed that 13-year-old boys did not need to be going home after school when they could be participating in a constructive program such as soccer.
5. Terry Larimer – 928 East Macada Road, Bethlehem –
Mr. Larimer stated that a community within the school district should be about identifying pockets of excellence and reinforcing them as they did with the band and football team this past year. He thought that soccer was the only team sport in which both high schools had won state championships. He concluded by expressing that anything they did which was detrimental would be foolish.
6. John Donnelly – 925 Merrivale Road, Bethlehem –
John was a student at Career Academy and stated that he wanted to stay at his current building.

Trinidad Sierra, John's teacher, completed the presentation of John's prepared statement: "I am here to tell you that I want to stay at our current building because it was small and we would not get into trouble because it was tiny. We are a family right now and have school spirit. We feel safe and cared for at the Career Academy. If we were in a wing at Freedom High School, we would lose our school spirit. We would lose our own identity and lose those kids who are those kids in the back. I have been reading the newspapers and other information about the cuts and I am sick to find that you are taking part of my family away. All of the teachers were important to all students for their success. You say 'One Child At A Time,' and I am asking for our school and our teachers at this time."

7. Cynthia Baylis – 5101 Fairlawn Road, Center Valley –
Ms. Baylis stated that she was the foreign language chairperson at Freedom High School. She was present to discuss the pending decision to cut back on planning schedules and give the teachers more classes.

Ms. Baylis reviewed that last year they made a case by stating that one of the things they needed more than anything was time to handle the tasks given to them within the school day. It was not just about what they could take of after school, but it was about the situations that cropped up within the school day. She further explained that a teacher was in a car accident last week who was only able to come into school on an intermittent basis. Ms. Baylis said that every day she came into the school, opened her room, obtained her plans and had to make sure that she had a substitute teacher. The teacher was split between Liberty and Freedom High Schools so she had to coordinate with the co-chairperson at Liberty High School to make sure that all of her stuff was brought over to Freedom High School. She pointed out that on two occasions they could not get coverage for her so she actually taught both of her classes. She stated that if she did not have those planning periods within that day, she would not have the time to do it. They were paid a stipend for the work, which amounted to nine dollars per day. For that amount of money, she served as a conduit of information between Mr. LaPorta and her department. She saved him from receiving ten to fifteen emails per week regarding questions from her staff. She added that she saved him time to address ten different people on possibly the same question because they could come to her and she could quickly take care of it. She said that she had weekly meetings for one and half hours to get information from Mr. LaPorta to disseminate to her department. She stated that it was her responsibility for the planning of inservice training for her department to ensure the staff was up to speed on anything from technology to issues within the building including discipline. Ms. Baylis said that she needed that time during the school day. The case was made last year and it was agreed upon to maintain the teaching schedules. She said if they had any doubt about the importance of the planning periods, they could directly inquire with Mr. LaPorta and Mrs. Durante and she believed they would be 100 percent in support of maintaining their current teaching schedules.

President Leeson reviewed that there were a number of questions which were directed to administration after the last hearing. She was aware that some responses were sent to the board and inquired if administration wanted to review the responses.

Dr. Lewis replied that they could review the May 1 and May 5 memorandums. He explained that they presently had the preliminary proposed budget, which was calculated with the previously reviewed reductions. He noted that it was preliminary and whatever was heard this evening could influence certain areas. He said that what was seen as delineated on Attachment A, which was also included in the packet, was what was reflected. He pointed out that there might still be an additional number of staff not reflected, which they may have been reduced due to subscriptions and attrition. They recommended a 5 percent or a 1.98 mill increase.

Dr. Lewis stated that the memorandum noted the removal of the contingency reduction under transportation and also the fleet insurance associated with that reduction. It did not mean that they were still not examining privatization but needed some additional information from the submitters of the requests for proposals.

Item 3 referred to the restructured Apple leases. Dr. Lewis stated that he and Mr. Arbushites had discussions today during a conference call with Apple. They informed him that they would like to maintain the Bethlehem account and they could expect at least a \$30,000 to \$40,000 reduction beyond what was already proposed in the budget as \$180,000 reduction from the current lease arrangement. He noted that under full disclosure, the further reduction did not mean less computers and the same number of systems would be forthcoming. He also pointed out that the reduction carried a four-year lease commitment, with this year being the first one, at the \$700,000 to \$750,000 amount. They were not quite sure where it would end because they asked to go back to corporate to request a better price. Dr. Lewis also pointed out that Mr. Arbushites provided them with the Apple inventory, which he thought showed some fairly dated systems, especially those in the hands of the teaching staff and in many of their elementary centers. He said that the goal was to keep their inventory as fresh as possible considering they could not longer obtain parts for many of the systems and had to be discarded when they failed.

Under Item 5, the rifle team, was put back into the budget as requested by the board, and was reflected as a varsity sport in the new document.

Dr. Lewis noted that Item 6 covered driver's education with Dr. Donaher continuing to conduct research and provided the board with some additional information. He believed that the latest memorandum pointed to the fact that there were many students who could be served but the question was how many were eligible. He said it would be approximately 1,200 to 1,300 students if one looked at anyone 16 years of age in the district. However, because of the current program design, as it being a four and one half week theory, it disrupted schedules to the point of where many students did not wish to engage in the class. Dr. Lewis explained that he did not have an easy answer for it. If they were to restore it, they would need to add staff. He added that the current teachers servicing were near maximum at the present time. He was sure it would need further discussion.

Item 10 described the relocation of the Career Academy.

Item 20 was updated as of today with 15 retirements. He conferred with Mr. Majewski who stated that the current budget reflected 12 retirements. They had an approximate additional \$75,000, which was not seen in today's preliminary budget.

Items 21 and 22 were relative to the employee contributions given back from raises.

Item 27 was related to legal costs, which the board had discussed with Mr. Majewski. It was originally shown as a \$40,000 reduction, but he had replaced it because of current activity.

Dr. Lewis stated that the Bethlehem Vo-Tech School refinancing did not take place earlier this week as previously thought because the market “tanked” momentarily due to a downward rating of one of the liquidity guarantors. He noted that it was not in their particular process, but it radiated throughout the market. He explained that he shared the information because in the earlier rollout, there was a \$40,000 cut to a \$172,000 reduction in the district’s obligation to the vocational school. He added that he spoke with Mr. Shearer and he said they could still anticipate the \$172,000 reduction and possibly more.

The home school visitor reduction was placed back into the budget due to their attempt to comply with more stringent timelines relative to the evaluation process. Dr. Lewis reviewed that the home school visitor was the initial contact with the parents for special education students for possible evaluations and identifications.

Dr. Lewis commented that the sale of the parcel at Freemansburg Avenue and Farmersville Road was placed on hold status. The administration was not recommending the sale of the property. They also did not feel there was a majority of board members in support of the sale so it was not reflected as a reduction in the budget.

Item 63 referred to the SPARK Program. Dr. Lewis stated that Mr. Majewski provided an additional cost analysis to the board and it was publicly noted that the secretary of education was permitting the use of Title I monies to pay for approximately \$1,000,000 in pre-kindergarten expenses.

Item 64, the Community Service Program, which was previously discussed regarding a cut, remained in the budget at the board’s direction.

Dr. Lewis stated he discussed the Welcome Classrooms with President Leeson and Mr. Washington prior to the onset of the meeting. He noted the program might have an additional 2.5 staff members. He said they would examine it as to whether it was or was not in the budget or needed to be removed from the budget.

The Reading Recovery[®] update was provided to give information on how it went this year. Dr. Lewis stated there were some other ancillary items that were not directly related to the budget, which were responded to as well.

Dr. Lewis addressed the current document's adjustments and said that he thought it was fair to base assumptions that they would see \$30,000 to \$40,000 in additional reductions for the Apple lease. In addition, the \$75,000 was noted as an increase in retirements, which presently totaled fifteen. He reviewed that a few more retirements were anticipated which could make a further impact. He added that until the Welcome Classroom staffing issue was verified, he was not ready to commit to an approximate \$150,000 in reductions for staff members. He noted that they would check into the matter.

President Leeson asked Dr. Lewis to review district staffing on Page 113 where it showed a reduction of four teachers this year but in the green section it showed the following reductions: Special Education – 1, Career Academy - 2, and Welcome Classrooms – 2.5. She explained that it would be a total of 9.5 positions.

Mr. Washington explained that as they worked through the budget, they had to shift due to retirements. A certain school or area might lead to a reduction in art as well as in business. They needed to wait for the retirements to come in and then they would slide those people into those positions.

President Leeson stated that she was not talking about additional but rather the ones they were currently figuring into the budget which they had not taken out.

Mr. Majewski commented that they took them out but the exhibit needed to be updated but the actual budgets were reduced. He stated that he and Mr. Washington spoke about it and as they were removing the positions, he had been making sure that the reductions were taken from the expenditures. He said that Mr. Washington's office was monitoring some of the changes and they did not yet change the exhibits and needed to get an updated one in the book.

Dr. Lewis requested to turn to the statement of expenditures page that showed the actual 2007-2008 salaries and the amended salaries to do a rough out calculation.

Mr. Majewski stated they would not be able to do it from there. He explained that every budget book that he provided had the changes so if they went back to earlier budget books, they could look at the teaching staff category and they could see the changes and that was why they provided the updated books.

Dr. Lewis asked if they went to the 2007-2008 total salaries, which was where they ended, and went to the amended (updated) 2008-2009 and then went to the 2009-2010. He asked if they could get the sense of a total dollar value for staff using an average of \$58,000.

Mr. Majewski addressed President Leeson's question was if the positions were taken out or were there still monies there to be reduced in those categories. He noted that his response was that they had been reduced every time. They had taken them from the budgets on their list. He reviewed that the way to be able to see it was that every time he provided an updated budget book, they could go to the categories and see the changes.

President Leeson referred to another exhibit two pages behind the staffing page that also showed the teaching positions were only reduced by four.

Mr. Majewski reviewed that they admitted the exhibits were not kept up with the changes in the budget. They needed to change the exhibit, but the actual budgeted expenditures were changed every time they made a change.

President Leeson stated that she was going to keep exploring it as they moved on so she would not hold up everyone.

Director Koch inquired about what they referred to as the exhibits.

Mr. Majewski responded that revenues and expenditures have been changed and they were making changes. The personnel exhibits needed to be updated.

Director Koch had a question regarding transportation. She saw that for this year they were not talking about outsourcing.

Dr. Lewis replied that it was not correct. They had one million in savings located in a contingency line item within the transportation budget. They had \$120,000 line item for fleet insurance. That was the anticipated savings if privatization occurred. He noted that they had said the drivers would be offered an opportunity. The Transportation Department, Mr. Gilliland, and Mr. Majewski estimated the number. Regardless of the numbers, the bus drivers union had the opportunity to see if there were equivocated costs they could save and then they would not go outside, but no decision was made. Dr. Lewis pointed out that the RFPs were in but there was a need for additional information surrounding the replacement buses. They needed to ensure that the inhouse and outsourced analysis were on the same playing field.

Director Koch inquired that if they were still not sure about what they were doing regarding transportation, would they have another year go by without purchasing any buses.

Dr. Lewis replied that he did not think they were in any position to purchase buses.

Director Koch stated that her point was if they did not, every year that went by, their buses became one year older and they were in worse shape than previously, which was not safe for the children. She expressed that he needed to make the decisions on that.

Dr. Lewis responded that at some point they needed to and they also had to look at how the bond monies looked after all expenses were paid with the settling of Broughal Middle School, the demolitions occurred, and the field structures were done. If there were additional monies then it would be an allowable expense under that particular category. He expressed that he did not want to get into that discussion tonight and added that there was not a recommendation to go outside or stay inside. He stated that they were waiting for additional information.

Director Koch said that she would go on record stating that many budgets have gone by where she inquired about purchasing buses and they haven't been in the budget. She noted that they continued to put it off and they would be getting to the point where they would no longer have a choice. She thought they would be stuck with whatever price they wanted to charge the district.

Director Tenaglia referred to Page 113 and asked what was the most recent total in terms of staffing.

Mr. Majewski replied that he did not have a number. They needed the Human Resources Department to update the exhibit.

Director Tenaglia inquired if Mr. Majewski was completely comfortable that the most recent staff reduction was incorporated in the salary expenses.

Mr. Majewski replied that every time they made an adjustment, he could see the formulas in the spreadsheets used to create the budget book.

President Leeson added that she took some time to go through the proposed budgets from February 4 and 28. She noted that there had been a reduction of approximately \$2,600,000 in teacher staffing.

Director Tenaglia referred to Page 11 and asked if the \$58,279,000 under teacher staffing was the most accurate number.

Mr. Majewski responded that it was accurate.

Director McKeon commented that last evening at the vo-tech meeting, they were made aware of a surplus with Bethlehem's share being approximately \$30,000. He added that it did not include the bond refinancing.

Dr. Lewis stated that they already calculated an operating budget savings of approximately \$97,000. He thought they could anticipate additional dollars as mentioned by Director McKeon. He pointed out that they were not comfortable with documenting the figure until they received a firm number.

Mr. Majewski said that as soon as it was verified, they would include it as a reduction against the 2008-2009 budget.

Director Amato asked for an explanation of Attachment A.

Dr. Lewis explained that the green area were the items which were presently out of the budget, unless there was a line through it, which meant the board wanted it replaced. He provided the example of line 27 with regard to legal expenses where the previously cut \$40,000 was put back into the budget. The home school visitor and rifle team were put back into the budget.

Director Amato inquired about the amount of \$9,744,000.

Dr. Lewis stated that the total included the nonrecommended items such as the total department chairperson reduction, Community Service Program, SPARK, Career Academy, and RASA. He said it was essentially the reduction to a 5 percent increase. He thought they took out approximately \$5,000,000 and possibly higher.

Director Amato addressed the nonrecommended items included in the amount and asked about the disposition of the Welcome Classrooms.

Dr. Lewis explained that they thought the three existing classrooms were originally funded by the general operating budget but they were not and were 100 percent funded by grants. Therefore it could not be viewed as a reduction and should probably be off the sheet because it was confusing.

Director Amato asked if they cut everything from Items 1 through 57 in the green area, it would have come to approximately \$6,500,000. He noted that they put back roughly \$1,500,000.

Dr. Lewis commented that Mr. Majewski totaled it to be \$5,600,000.

Director Amato noted the difference between the \$5,600,000 and \$9,744,000 was \$4,100,000 and they were putting back \$1,500,000.

Dr. Lewis explained that the "red" was never out of the budget and was part of a board request to show everything that was nonmandated.

Director Amato reviewed that RASA, Career Academy, and SPARK was in the budget.

Dr. Lewis agreed with Director Amato's statement.

President Leeson pointed out that there were a few additions with \$1,000,000 for transportation at the recommendation of the administration. She said it could almost go to the red column.

Director Amato asked about the necessary figure to stay within the referendum.

Dr. Lewis replied that it was 5.1 percent and they were presently at 5 percent.

President Leeson explained that the \$5,600,000 was the dollar amount of cuts.

Mr. Majewski stated that it was 1.98 mills times the value of a mill.

Dr. Lewis noted that \$5,256,000 was 1.98 mills which was the increase.

President Leeson commented that a number of people had raised the question regarding middle school soccer. She inquired with the board regarding input.

Director Dexter asked about the specific line item that correlated with the program.

Dr. Lewis replied that it was part of Item 53 in the green area.

Dr. Donaher added that it was approximately \$20,000 of the \$25,000 reduction.

Dr. Lewis reviewed that Dr. Donaher sat in the budget workshop and went back to the athletic directors and conveyed that they had to reduce the athletic budget. He explained that they looked at the extent of the programs and placed a rating on them. He said that the administration was agreeable to put it back but he disclosed that everything they replaced affected the contingency number.

Director Dexter stated that the amount in question was \$20,000. She thought there were probably some items which were not mandated in the district which did not appear anywhere on the green and pink sheet. She recalled there were dues paid for subscriptions or professional organizations and inquired about the PSBA fee.

Dr. Lewis replied that the school board association fee was approximately \$20,000.

Director Dexter suggested foregoing PSBA for a year to replace the soccer program.

Dr. Lewis responded that they heavily used the services, especially in the area of policy development. He said they would have to pay \$50,000 for legal reviews, considering the amount of policies reviewed.

Director Koch objected to the suggestion because she was the director of Region 8 and if they dropped the membership, she would no longer be able to hold the position. She stated that she was presently the director of seven counties.

Director Amato thought they needed to dig into the budget for middle school soccer because as he had stated months ago, the athletic programs were in the process of being destroyed. He cited the difficulty he was experiencing as the director of athletics at a neighboring district in the attempt to schedule competitions with Bethlehem School District. He commented that the reason the district had won a state championship for football was because they had good programs beginning with the midget program. He noted that they were nipping away at the programs with the cut backs in transportation and thought they were only playing 70 to 75 percent of the maximum games in the middle school programs.

Dr. Lewis commented that he did not think they were arguing the value of the program. He asked that the administration be given the opportunity to look elsewhere to make an adjustment.

President Leeson stated that she agreed 100 percent and was in full support of the soccer program. She thought the middle school was a critical age for them to explore new sports.

Director Cann inquired about the shared transportation with the softball team, asking if the costs were shared between both teams.

Dr. Donaher commented that approximately \$16,000 of the \$20,000 was for the coaching salaries. The amount of \$4,000 was computed with the consideration of shared transportation.

Director Cann said that she was in support of bringing back the program.

President Leeson requested a show of hands regarding the reinstatement of the middle school soccer program and observed a consensus of support.

CONSENSUS –
REINSTATE MIDDLE
SCHOOL SOCCER
PROGRAM

Director Amato addressed softball at the middle school level, noting that they cut payment for officials and transportation. He suggested replacing the necessary support to enable the team to schedule competition with other teams.

Dr. Lewis noted that nobody cut back on the softball schedule.

Director Amato disagreed.

Dr. Donaher commented that they decided not to schedule the maximum amount of scrimmages.

Director Amato replied that he did not request to schedule a scrimmage but rather regular season games and the coordinator informed him that she was not permitted.

Dr. Lewis said that once the schedule was set, because of budget constraints, they were directed not to add additional contests. It was not a cut in the traditional schedule. There was not additional monies for the home situation or additional monies for transportation for away games. He emphasized that they were not cutting back on the traditional schedule.

Director Amato responded that last year they were told they could not schedule beyond 22 games and this year they were cut back to 17 days. He attempted to schedule 4 games and it could not be done because it was cut out of the budget. He asked if next year they would be going from 17 games to 12 games.

President Leeson addressed the SAT Preparation Course listed as having a 1.5 staff position which would be a savings of \$88,000. She noted that it was the last item on the green level. She commented that when the elective courses were cut last year at the high school, a large number of students ended up in study halls so the two principals started to arrange SAT Preparation Classes to place students in as opposed to the study halls. President Leeson noted that by eliminating the SAT Preparation Course, they would still have to find electives for the students. She asked how that would save money.

Dr. Lewis replied that Mrs. Katona did the analysis and was not present. He was told that there were spaces for students who wished to have electives and study hall slots for those who did not. He noted that it was a nine-week course and because it was not enough, it would, in essence, create study halls. He did not have an answer but agreed to review it and ask Mrs. Katona to generate something in writing and to communicate with both high school principals.

President Leeson commented that if they scheduled both SAT Math and SAT English back to back, it would be the full 18 weeks so they wouldn't necessarily have study hall.

Director Dexter stated that she could not support a reduction in the SAT Preparation Courses. She reviewed that over the years she suggested adding the courses into the curriculum. She noted that SAT Preparation Courses and PSSA Preparation overlapped but, more importantly, the SAT Test was the one that mattered to the students because it provided the gate to their future. Director Dexter added that even if the student took the SAT Preparation Course and never attended college, it covered Algebra, Algebra II, grammar structure, and punctuation, which would benefit the student in their lifetime more so than some of the other electives. She thought that the SAT Preparation Course would have the greatest priority. She learned there were 160 students interested in the course for next year at Freedom High School.

Director Dexter thought that every single student should be serviced and commended for choosing something that was academically valuable. She stressed that she would not vote to cut that particular line in the budget.

Director Amato asked Mr. Majewski when the “bucket would be filled and the water overflowing” with regard to the additions to the budget.

Mr. Majewski replied that after the last discussion they had, they were showing a contingency of approximately \$1,700,000, as created by the stimulus funds, which could be found in the budgetary reserve area.

Director Amato questioned if there was \$1,700,000 on the table that could be added back into the budget.

Dr. Lewis cautioned that there was a significant deficit that needed to be attacked.

Director Amato noted there was contingency money coming to them, which had to be earmarked for certain items. He wanted to know the dollar amount that could be utilized.

Dr. Lewis responded that he did not think they had wiggle room. He thought that if they eroded the \$1,700,000, then they would be further in debt one year later.

Mr. Majewski added that they were looking at a projected deficit of approximately \$8,000,000 at the end of the year. He stated they needed to find some way to reduce the deficit. They needed to be able to make some significant steps over the next couple of years to completely eliminate the deficit. Every time they reduced the contingency, it would prevent them from further moving to at least a zero fund balance as opposed to a negative. Their goal was to have some positive fund balance. He stated that they needed to be able to get a tax anticipation note because of their inability to have sufficient cash over the summer and it was directly related to the deficit fund balance. It was not just costing them in interest revenue but it was also a cost for the interest expense because they needed the cash to continue operations. Mr. Majewski stated that he supported what Dr. Lewis said in that they needed to make some serious and continuous efforts to find ways to reduce the budget deficit.

Mr. Majewski pointed out that the senate passed a drastic reduction of the subsidy as part of the governor’s budget. He further explained that much of the contingency would be removed if the state subsidy was lost. He said that the senate’s comment was that the district would be receiving stimulus money so they did not have to provide it. They needed to consider it as a reduction of the contingency. Mr. Majewski concluded that the numbers weren’t available but they would be carefully tracking it.

Dr. Lewis said that they would look at the restoration of the SAT Preparation Course with consideration of internal adjustments.

President Leeson reviewed that the slots had to be filled with something and pointed out that even a study hall had to have a teacher present. She asked for a board consensus regarding the support of replacing the SAT Preparation Course. She noted six hands in support of the course.

CONSENSUS –
REPLACE SAT
PREPARATION
COURSE

Director Dexter brought attention to the PBS contribution and pointed out that the Scholastic Scrimmage eligibility would be affected if the district did not contribute.

Dr. Lewis commented that there were two impacts with one being the scrimmage and the other would be a \$4,000 back bill from the Colonial Intermediate Unit for United Streaming Video which was a tool utilized by many teachers. It was underwritten in part by various intermediate unit and PBS sources. He further noted that PBS informed the district that they heard from multiple districts that the charge was too high. They agreed to communicate with Mr. Arbushites regarding information relative to what they anticipated. He believed it would be a \$10,000 to \$15,000 expense which they would put on the “do” list for examination.

Director Cann inquired about the Community Service Program which was postponed at the last meeting. She reviewed that she thought it was something that was outside of the academic and extracurricular sphere. She believed it was something offered as extraneous to what she viewed as their mission. She considered it an “extra” that should be considered as a cut when the district did not have the money. She recalled that Director Follweiler agreed with her opinion and asked for the thoughts of the other board members.

Dr. Lewis reviewed that he observed the initiative as an administrator in another district and recalled that the board there wanted to watch to see the outcome of the lawsuit argued in Bethlehem, of which the district had won. He explained that he was permitted to implement a team approach to community service at that district which had an opt-out provision. He noted that when he came to Bethlehem, he was very pleased to see community service as a requirement for graduation. He pointed out that there were some students who did not give it intended due, and while he had rejected some appeals for extensions, he also approved some, based upon the recommendations of the counselors, principals, and Mrs. Seip. He still felt it was a very important program which impacted the students in the long haul.

Director Tenaglia addressed the stimulus money and noted there was approximately \$1,600,000, which was not allocated. He noted that Mr. Majewski brought attention to an accumulated deficit of approximately \$8,000,000 by the end of the fiscal year.

Director Tenaglia stated they had a capital reserve fund that was down to approximately \$500,000. They would be starting the next fiscal year with \$500,000 in the capital reserve fund, \$8,000,000 in deficit, and a significant reduction in the estimated state or federal funds as it would come to the stimulus because when it filtered through the state capitol, it would be redirected from other previous indications of funding commitment to the district. He asked what would happen if the final numbers from the state were less than expected and there was no other available funding. When they saw the deficit increase this year because of the debt service issue and they received directives from administration regarding the control of expenditures, it somewhat mitigated the dam but he pointed out there was no more wiggle room. He pointed out that nothing in the budget addressed the \$8,000,000 deficit.

Mr. Majewski replied that it was not correct and that conceptually, the contingency was on appropriated funds of \$1,700,000 that could begin to address the deficit.

Director Tenaglia reviewed that it was predicated on their receiving everything filtered through state and federal monies or the supplemental stimulus money, which would be a possible two-year infusion. He asked Mr. Majewski about a contingency plan if they passed the budget and came to June with some minor tweaking but for some reason the state and federal subsidies were less than budgeted.

Mr. Majewski responded that at present they did not have the plan but they would need to do exactly what they did this year which would be to start searching for ways to eliminate or reduce programs.

President Leeson stated that they had been reducing throughout the year to the amount of \$1,700,000. She asked where it was reflected in the current financial projections and statements.

Mr. Majewski stated there were three components that impacted their current financial projections. They discussed debt service and how it would look at the end of the year, which was estimated at \$4,000,000 over budget. When they looked at the expenditure projections, it did not show an overage of \$4,000,000. As a result of the expenditure reductions throughout the year, they were able to mitigate approximately one-half of the debt service issue.

Mr. Majewski noted the weakened local economy and they were finding that some of the numbers that looked likely in May or June of last year quickly eroded. There was a huge impact on the budget from large companies that applied for and received assessment reductions. He said it was not necessarily because of the economy but because the counties did not keep up with their assessments, which cost the district hundreds of thousands of dollars.

In addition, the reduced sales of homes affected the real estate transfer taxes. Mr. Majewski pointed out that all of the reduced economic activity for the year probably had a greater impact on the projected budget deficit at the end of the year than the expenditures. He concluded that the weakened revenue was probably the biggest culprit along with the debt service in the increased deficit.

Director McKeon referred to Director Tenaglia's conversation and stated he thought they had to begin to look at the items listed in red. He noted the reduction of general duty aides, attendance monitor, the Welcome Classrooms, and the department chairpersons, which only computed to approximately \$375,000. He stated that the district would be in trouble if Harrisburg came in with significantly less than what they were looking at through the projections.

President Leeson said that the Welcome Classroom was removed. She also pointed out that two principals were retiring and if they were to fill the positions internally and reduce the administrative staff by two positions, there would be a significant savings.

Dr. Lewis commented that one of the slots was projected to be filled by a central administrator and was already in the budget. He did not want to propose the decimation of the Curriculum Department in light of the fact that they were attempting to address major AYP issues of which had shown progress this year. He stated that he could not support a recommendation to reduce the department any further in consideration of the loss of two positions within two years, including the consolidation of reading and ELA. He added that, for the most part, science was going to be non-centrally reviewed and the testing initiative was just gearing up. Dr. Lewis pointed out that on May 12 he was returning to Harrisburg to meet with staff from the governor's office along with other superintendents, including someone from the federal level. He said that part of the discussion was because the senate leadership thought they could use the stabilization money the way they wanted and the federal government stated they could not. He explained that he had discussion with Senator Brown, who voted for the measure and Senator Boscola, who voted against the measure. He attempted to convince Senator Brown that it would be devastating to all school districts and not just Bethlehem, to take the money and just roll it into the basic education funding at level funding. He agreed with Director Tenaglia in that they would need to take draconian measures to balance the budget. He asked the board to consider waiting until after his meetings with the governor's office were concluded next week.

President Leeson replied that Dr. Lewis spoke about the Curriculum Department but noted there were administrators in other areas such as the middle school area where there was a reduction in the student volume.

Director Koch pointed out that PSEA was also working in the area Dr. Lewis addressed. She recalled years ago when she was a substitute teacher, there were a couple of schools where one principal served two buildings and by the time she was a board member it had changed. She inquired as to why it did not work because she thought it was done to save money.

Dr. Lewis replied that it was a technique used in some districts. He expressed that he would like to explore other options first. He said that in all fairness, everything was back on the table if the senate was successful in somehow arbitrating something with the House of Representatives. He pointed out that the House of Representatives were opposed so it would have to go to committee and then it would become a war. He added the fear was that there would be no state budget as of June 30 and by law the district did not have the choice to shut down on July 1. They had to have the district's budget completed, which he thought to be unfair.

Director Tenaglia commended Mr. Majewski because he forecasted revenues of approximately \$172,200,000 and he was now projecting \$168,900,000, so the revenue shortfall was roughly \$3,300,000. In addition, the increase in debt service was \$3,900,000. Between the revenue shortfall and the increase in debt service, they were looking at a figure in excess of \$7,000,000. He noted that through the whole other list of expenditures, he was able to reduce it by roughly \$3,200,000 to come to the \$4,000,000 deficit. He noted that Mr. Majewski did not come to the board in the present budget for the restoration of any expenditure that he was able to reduce in the current fiscal year. He asked how much more could be tightened, if anything, before they felt the pain.

Dr. Lewis responded that the areas were listed in red and there was no other option but to hammer the basic education formula.

Director Tenaglia inquired if they were under any requirement to do anything at the May meeting in terms of another vote on the preliminary budget.

Mr. Majewski replied affirmatively.

Director Tenaglia reviewed that there was a time factor involved but it did not restrict them from making modifications between May and June. He asked if there would be additional budget hearings between the present time and the June monthly board meeting.

President Leeson replied they did not have any planned at the present time but noted they could add another meeting in June after they obtained some more information.

Dr. Lewis noted that the additional retirements, the Apple Lease, Welcome Classroom analysis, and if possible, the number obtained from vo-tech would be reflected in the contingency number. He added that they would propose the support of the 1.98 mill increase because anything short of it would not allow any restoration. He said they would continue to attempt to build capacity in the reserve area through the adjustments.

Director Tenaglia asked where they stood when they went to the state with the preliminary budget in February, asking for exceptions to the cap. He noted that they had fallen below the cap. He questioned if they still had the ability to use the exceptions.

Dr. Lewis replied affirmatively and added that in theory they had the right to increase taxes above 1.98.

Director Amato inquired if Community Service was a graduation requirement.

Dr. Lewis responded noted that it was board policy that it was a requirement.

Director Cann stated that if the course was not offered than it did not have to be a requirement.

President Leeson asked the board of directors their opinion about the Community Service Program.

Director Amato expressed that he wanted to keep the program in the budget.

Director Tenaglia commented that he did not think it was an “all or none” proposition. He thought the question was related to the cost of the program and if there was a way for it to be operated at a lower cost.

Director Koch brought attention to Parkland School District’s program, which was less expensive. She did not think it was a graduation requirement but if the student completed community service, it was noted on their diploma. She thought it would be worth the inquiry.

President Leeson polled the board as to the request for Dr. Lewis to contact the Parkland School District to research their Community Service Program for consideration of a reduced cost program.

President Leeson asked Director Cann if her suggestion was to eliminate the program.

Director Cann responded that they were looking for cuts and thought it was a possibility.

CONSENSUS –
REQUEST FOR
INQUIRY RE:
MODIFIED
COMMUNITY
SERVICE PROGRAM

Director Dexter addressed the issue with the PSBA and the fee of approximately \$20,000 for the benefit of policy review. She inquired about the other services received from the organization.

Dr. Lewis replied that they received legislative updates, information on new legal interpretations and case law. They had the opportunity for review of submitted literature.

Director Dexter inquired about what the district would submit as literature for review.

Dr. Lewis responded that it would be anything the district published such as the newsletter template to their district maps.

Director Koch commented that they had the valuable opportunity to network with 500 other school districts in the state when they go to conferences. They also had students from the district attend the conferences to make presentations. The PSBA was also an advocate in Harrisburg, which was a very important with regard to the present situation. She pointed out that when they were searching for a new superintendent, they found Dr. Lewis with the guidance of PSBA. Director Koch recalled a few times when they made telephone contact with the legal department concerning some issue in the district. She thought the annual meeting was important to meet other people in the seven county area because they all had the same problems with the legislature. She said the networking was the most important benefit. She brought attention to the PSBA insurance offered and asked if the district participated in their plan.

Mr. Majewski replied that the PSBA property and casualty was more expensive than what the district paid and it offered less coverage. He noted that they selected another insurance company.

Director Koch stated that many people took advantage of their insurance. She said to consider the 501 state school districts and that all of the other 500 districts had deemed it worthy to stay with the association. She thought it would be foolish to drop it.

Dr. Lewis brought attention to the literature received from the organization, which included the national school board association, in addition to the new board member workshops. He pointed out that there was a fee, but he did not think one could access them otherwise. He said there was an annual board officers training offered.

Director Dexter believed there was a non-member fee for the workshops.

Dr. Lewis noted that the district policies were maintained on the PSBA server.

Director Koch commented that the PSBA had done board workshops in the past when there were problems and they did a lot of different things to assist in board development. She anticipated that there would be one or two new board members in need of the courses after the election.

President Leeson inquired if there were separate charges for the PSBA services mentioned by Dr. Lewis.

Dr. Lewis responded that there was a charge for the workshops and a small maintenance charge for the storage of policies.

Director Dexter asked Director Koch if all 500 Pennsylvania School Districts members of the PSBA.

Director Koch replied affirmatively.

Dr. Lewis said that he thought one held out but they joined.

Director Dexter inquired if the fee was based on the size of the district.

Dr. Lewis responded affirmatively.

Director McKeon asked if it was possible to use the PSBA services à la carte.

Director Koch replied that she did not think it was possible.

Director McKeon inquired about the renewal date.

Dr. Lewis responded that the renewal date was July 1. He commented that the district should not become isolationistic. He thought he networking piece was extremely important.

Director McKeon agreed but added that financially, they forced themselves into becoming isolationists.

President Leeson reviewed that Director McKeon's proposal was to remove the subscription at the present time and review it in the future. She polled the board to determine support of the proposal.

CONSENSUS -
CANCELLATION OF
PSBA MEMBERSHIP

Director Cann suggested they look into it more and expressed that she would hate to lose all of the benefits but she pointed out that they received duplicate publications with everyone receiving the same information. She mentioned that there might be a way to eliminate some of the benefits and receive a reduction.

President Leeson said that she thought the charge was by district size.

Director Dexter stated that she thought they could do without some of the services provided by the PSBA such as the legislative updates, which were provided to the board from the Intermediate Unit. One of the reasons they had the Intermediate Unit was because they had a lot of similar issues and were able to access more services from the organization without additional charge. She was not sure how many members were actually reading the monthly booklets, noting that she occasionally read them but received most of her information from other sources. She also thought that it would not be permanent and brought attention to the request for other departments to work with less such as the elimination of subscriptions, supplies, and uniform replacement. Director Dexter questioned if they were really receiving the value because they weren't attending conferences due to the cost of travel and overnight accommodations in addition to setting an example for others within the district because it was a minimalist year. She thought it was not a bad time for them to see what a year looked like without the PSBA and if they found it to be intolerable then they could rejoin.

Director Amato said that he thought they were already polled.

President Leeson replied that it was determined by consensus that there was not support to pull the item from the budget at the present time.

President Leeson noted that they would probably be notified in June with regard to additional money, which would also help with the smaller items they were attempting to put back into the budget.

Mr. Majewski pointed out that the aforementioned funding would help the deficit at the end of the year but would not be part of next year's budget. He also brought attention to the current bill for the PSBA, which was \$12,300.

President Leeson addressed the Apple Lease and pointed out that the reduction came with a catch, which was the four-year agreement. She said she was aware of the teachers' need for computers and the older stock. She stated that if they approved the agreement, they would be supporting the one-to-one laptop program.

Dr. Lewis disagreed and said they were not the computers being purchased.

President Leeson responded that she understood that they were not the ones being purchased but they would maintain the one-to-one laptop program. If they wished to change the one-to-one laptop program, they would then have computers available to start putting into other areas such as shifting them into areas they were looking to replace.

Mr. Arbushites replied that if they canceled the ones from one program as previously discussed, they would make classroom sets out of the laptops.

Mr. Arbushites explained that they would immediately be repurposed as classroom computers and would still be in the hands of students. The teachers' laptops, which they were hoping to replace with the lease restructuring, were a replacement of what they currently had with the same number of newer laptops.

Dr. Lewis explained that if they did not do it, the current teacher systems would be ten to eleven years old at the end of a four-year period.

Mr. Arbushites agreed.

President Leeson said that she realized the need for different computers for the teachers but when they were talking about classroom sets, it was really a variation on the one-to-one laptop program. She pointed out that they would still have the same approximate number of computers as students.

Mr. Arbushites explained that the classroom sets of laptops did not travel anywhere and were not assigned to specific students. He pointed out that not every classroom would have a complete set of classroom laptops, which was dependent on how far the laptops go with regard to distribution.

President Leeson inquired if they would still be using the current number of computers, which was one-to-one.

Mr. Arbushites responded that they would have to redistribute some of the computers in order to make the number of classroom sets complete. He further explained that they might have to shuffle some around to even out the numbers.

President Leeson stated it was basically the same number of computers, which they currently had in the one-to-one laptop program, so it was a reconfiguration of the same number of computers. She noted if they were to look at the program and reduce the number of computers in one school so it would not be the same amount, they would have newer models for the teachers without going into the four-year lease program. She added that the board needed to have discussion.

Dr. Lewis brought attention to the book discussed at their book club titled *Disrupting Classrooms* and noted that Director Tenaglia was in attendance. The theme of the publication was the technology initiative that surrounded youth. A point was made that the number of students across America in urban schools who did not have home access was between 30 and 50 percent, with the district being in the 30 percent range, which was not good. If they continued to reduce student access, 30 percent of the students would never close the gap because they would not have the same access as other students.

Dr. Lewis said he could not support a program that would pull out instructional technology to be used as administrative or managerial technology. He thought \$250,000 would have to be replaced in the budget because they would pay \$985,000 for another year with obsolete equipment. He asked the board to consider a multi-year commitment to keep the technology fresh. Dr. Lewis reviewed that the district's technology was ten years old because they immediately purchased a lot of technology with a \$10,000,000 bond issue and four years later they had \$10,000,000 worth of obsolete equipment with no cyclic replacement plan. He noted the district had a plan and although they had older computers, they also had newer computers coming online every year. He added that it was important to do so because otherwise they would end up with older systems of which they could not obtain parts or run software.

President Leeson expressed that she understood Dr. Lewis' logic but she did not agree with it. She stated she was not discussing the reduction of the instructional impact. She understood they needed current computers for the teachers but they did not analyze the most cost effective amount of computers to be in the schools. She asked if they could bridge the technological gap without having a one-on-one computer program in the middle schools. She emphasized the need for the study to be done in the present budget year before they engaged in another four-year lease commitment. She was reluctant to agree to another four-year commitment in light of the budget crisis.

Director Koch recalled that years ago a gentleman from Lehigh University did a study and he provided information about how many people were utilizing the computers and the programs being used but he could not tell them if it made a difference in the education of the children. She thought they were looking for information about the effectiveness of the computers with regard to the advancement of education. She agreed that it would advance the students' knowledge of computers, which they all knew was important, but as far as the educational aspect, they could not get anyone to state they were making a difference.

Dr. Lewis replied that research could be found to support multiple directions. He pointed out that Directors Dexter and Leeson went on the Classrooms for the Future tour recently and he thought they saw some impressive instruction. He could not imagine a reduction in access to technology for the students. He believed the students entering high school were better prepared because they had acquired the skills, which were previously taught to freshman in high school.

President Leeson commented that the students were not passing out of the course.

Dr. Lewis replied that the course had been changed to reflect a higher set of skills and they were not at the next level of skills which was the imperative with regard to the high schools. He stated that he was aware of the budget situation but if they committed to the lease, instead of \$460,000 for an obsolete inventory, they would be refreshing it by paying approximately \$240,000 to \$280,000 more in next year's budget at \$700,000 to \$750,000. The two years beyond that would be new commitments to approximately \$700,000.

Director Cann reviewed that if they agreed with his recommendation, their technology costs remained relatively consistent year to year, rather than allowing the equipment to expire with the need to purchase new computers at one time. She expressed that they might be in a position where they could not do it and then have nothing.

Dr. Lewis agreed.

President Leeson noted that it was based on the assumption of the same number of computers.

Director Koch agreed with Director Cann's analysis and expressed that she would support it, but requested future analysis to show evidence of improvement in the students' learning other than how to operate a computer.

Dr. Lewis commented that the best data collected would be anecdotal from the teaching staff. He noted there were many variables that went into quality teaching and gains in student performance. He said he could not claim stating that technology was the panacea that raised student performance. He added that he would try to find quantitative and qualitative measures.

Director Koch expressed that it would be more appropriate to hear from the teachers rather than the students.

Director Dexter asked if the administration looked at an alternative such as proposed by President Leeson. She gave an example of Nitschmann Middle School presently having 1,000 laptops but 750 laptops would be allocated to the school, so approximately one-fourth to one-third of the number was reduced with similar reductions in the other schools. She inquired if they would be able to eliminate the expenditure of approximately \$180,000. She was not convinced of the need for a one-to-one program. She reflected upon her tour regarding technology in the school and recalled her comment upon exiting, stating that there was a lot of quality teaching in the school, including some teachers who chose not to use technology in the classroom. She also pointed out the conversation they had with an honor student who expressed that he only had one Classroom for the Future in his entire Liberty High School career and considered himself to have received an excellent education.

Director Dexter commented about the number of students who did not have access to computers in their homes. She believed the number of computers they had at the school would not be a remedy because they were not permitted to be used at home. She also pointed out that by what was seen on the streets, the students had the technology in their hands that was important to them.

Dr. Lewis thought they would be hard pressed to find a teacher who was not utilizing some semblance of technology such as the internet through various assignments, research projects, or scientific probes. He expressed that he saw an even greater use at the elementary school level of which he was concerned.

Director Dexter agreed that most teachers were utilizing the internet to access lessons and information along with students but for effective learning to take place, they did not need the most expensive program or the highest existing ratio. She stated they did not need all of what they had, noting that when they allocated too many dollars towards high technology programs, they were taking away from some other areas including professional development, text book replacement, smaller class size, and other items discussed earlier. It was about choices, which was not to say they should wipe out technology in the district, but rather inquire about the most effective way they could deliver a high quality education program to the students without bankrupting the district. Director Dexter said she was not convinced about the need for the same number of computers in the middle schools and that the \$180,000 reduction should be listed because she was not convinced the program was effective. She recalled two studies involving Penn State and Lehigh University where neither one came back to state it was an essential program that had improved student learning.

President Leeson requested a poll of the board for consideration to review the technology lease structure prior to a commitment.

CONSENSUS –
REVIEW OF
TECHNOLOGY
LEASE STRUCTURE

Director McKeon asked for clarification regarding the educator's computers as opposed to the students' computers.

President Leeson replied that if they reduced the number of computers, then they would go to the teachers.

Director McKeon noted that the discussion was more focused on the classroom performers as opposed to the classroom deliverers.

Dr. Lewis brought attention to the total inventory with consideration that they paid \$985,000 this year and another \$460,000 next year, but would continue to pay for obsolete equipment. He added that if they paid approximately \$700,000 to \$730,000, they would have new equipment, but in year three and four they would have the commitment. He offered to review the redistribution and discuss it with Mr. Arbushites, but noted that it would be a major set back to strip technology.

President Leeson reviewed the question posed for consensus regarding the review of the technology agreement. She observed the lack of consensus by show of hands regarding the current recommendation.

Dr. Lewis agreed to arrange further communication with regard to the Apple lease.

President Leeson inquired if there were any other items for discussion.

Mr. Majewski announced that the property tax reduction allocation for next year would be \$4,733,000. With consideration of the number of approved homesteads and farmsteads in the school district, it would translate into a property tax reduction amount of \$177 per approved homestead and farmstead for next year.

Director Tenaglia asked if it was subject to legislative approval or if it was purely formulaic.

Mr. Majewski explained that the legislative approval came with Act I and prior to that there were the authorizations for the casino.

President Leeson asked about the impact to the average household in Bethlehem regarding the increase and the effect of the Homestead Act.

Mr. Majewski explained there would be an average increase of \$118.80 per bill based upon 1.98 mills and it would be reduced by the \$177, which was a net reduction of \$58.20.

President Leeson reviewed that the average homeowner would see a reduction in their tax bill between the Homestead Act exclusion and the millage increase.

Mr. Majewski replied the two netted out so that it was lower, however, because they gave \$181 this year as a reduction and it was similar to last year. The reduction was fairly built in, so their bill would increase by approximately \$118.

President Leeson asked if there were any other issues or questions relating to the budget. She received no further inquiries from the board members and offered the floor to Dr. Lewis.

Dr. Lewis summarized the following budget items addressed at the meeting:

- Co-ed soccer programs at the middle schools would be examined with consideration of an offset or a change in contingency.
- SAT Preparation Courses – An analysis would be obtained to evaluate if the reduction was realistic and if there would be an impact on electives.

DR. LEWIS –
SUMMARY

MAY 6, 2009

- PBS (Public Broadcasting System) Subscription – An investigation would be made as to the actual cost and consideration made for restoration if the fee were reduced.
- Administrative changes were pending with regard to the decisions of several faculty retirements.
- Community Service Program – The Parkland Area School District would be contacted regarding their program to investigate the efficiency and economies of scale.
- Technology – Continued negotiation would be pursued with Apple.
- Items to be reflected in the budget for approval –
 - a. At least three additional retirements
 - b. Documentation of actual Apple computer lease figures
 - c. Review of the Welcome Classroom analysis
 - d. Investigate the impact of the Bethlehem Area Vocational-Technical School reimbursement
 - e. Update budget document exhibits

President Leeson offered courtesy of the floor to visitors. No one wished to address the board of school directors.

COURTESY OF
THE FLOOR
TO VISITORS

President Leeson announced an executive session would take place following adjournment to address a personnel issue.

EXECUTIVE
SESSION

The meeting was adjourned at 8:27 p.m.

ADJOURNMENT

Attest,

Stanley J. Majewski, Jr.
Board Secretary

:dw