

BETHLEHEM AREA SCHOOL DISTRICT
BOARD OF SCHOOL DIRECTORS
BUDGET WORKSHOP

FEBRUARY 23, 2011

The Budget Workshop of the Board of Directors of the Bethlehem Area School District was held on Wednesday, February 23, 2011, at 6:00 p.m. in the Dining Room at the Education Center, 1516 Sycamore Street, Bethlehem, PA 18017.

BUDGET
MEETING

Members present: Directors Burkhardt, Faccinetto, Follweiler, McKeon, Ortiz, Leeson, Tenaglia, and President Cann – 8

MEMBERS
PRESENT

Absent – Director Amato

Others present: Dr. Joseph Roy, Superintendent of Schools; Stacy Gober, Board Secretary; administrators, members of the press and other interested citizens and staff members.

OTHERS
PRESENT

President Cann asked if anyone would like to speak at Courtesy of the Floor.

COURTESY OF THE
FLOOR

President Cann stated that seeing none they will move into the Administration's presentation of the budget information to date. She asked that the Board hold its comments until after the presentation.

PRESIDENT CANN –
INTRODUCTION

Dr. Roy stated that there will be a PowerPoint presentation, and that the Board has a note version of the PowerPoint slides that was given to them.

DR. ROY –
REVIEW OF
PROPOSED BUDGET

Dr. Roy stated that they want to start with regrounding around the goals for the development of the 2011-2012 Budget supporting their academic goals on the Roadmap to Excellence that they will be finalizing this month with the board. He said that they have talked about focusing on the areas for school improvement and the core academic areas, in the stretch learning for students and personal skills development and student engagement, and they want to keep reminding them of those core academic K-12 programs that are the core of the nation. He continued saying that they need to focus on maintaining those and at the same time a focus on the multitude of years the district has been working towards building a fund balance, restoring their credit rating and building a sustainable budget. He said that the second goal deals with the issue of responsible stewardship and building a sustainable budget. He went on to explain what they mean by a sustainable budget. He said they are looking this year to make reductions and revisions in the budget so that from year to year

their increases are minimized and they can sustain the programs they are doing because the programs that are core to them are funded by reliable sources and not by grant sources that might run out. He said that this is what they mean by sustainable budgeting. He continued saying that they want to make sure that they have had good financial resources, sustainable and core mandated programs, and establish a final budget, not to exceed a 1.7 percent millage increase as the board has made clear to them their desire.

Dr. Roy said that a quick review of where they have been already in this process in the month prior to this evening's workshop is that they have reduced \$2.8 million in expenditure requests to get to the preliminary budget and that included reducing a number of personnel positions. He continued saying that as they all know the bulk of their budget is in personnel costs. He said that what they do is labor intensive so they are going to make significant reductions, and they need to look at personnel costs, and prior to this evening Dr. Roy said they can see the reductions that have been made both in teachers, in administrative supervisory positions, clerical positions, looking at things they did to reduce health care costs, and they scaled back on the proposed replacement of buses and reduced some money that they had originally put in for maintenance repairs. He said that similarly they adjusted revenues upward stating that the improved local tax revenue was an adjustment to the TIF calculation which was an increase in their revenue expectations and that aside from the state right now, much of this is a moving target and that based on information that Stacy received through the PASBO organization where it looks like the state budget might go through as they increased the basic education subsidy on the revenue side of the budget. He went on to say that these are adjustments they have made prior to tonight. Dr. Roy stated that the board has approved the preliminary budget with a 6.16 percent increase necessary if they were to close the revenue expenditure gap solely by the increase, which they will not be doing, they will be making reductions. He said that there are additional days for subsequent budget meetings. He went on to say that in this evening's presentation he is going to review the very challenging budget realities that face districts, governments and municipal governments. He said that the big picture as they all know it can be seen on the news or read in the papers. He continued saying that we are in a different world right now, and therefore, it is a different game when it comes to state, local, and municipal governments. He said that states have multibillion-dollar deficits; municipal governments have million dollar deficits; and school

districts face deficits. Dr. Roy stated that in an economic climate that is still very difficult for most people, and people have been doing this for a long time; say 25 years plus, it is the worst and the most difficult budgeting year that they've seen in their years. He went on to say that that is going to force them in order to produce a responsible budget to make tough decisions and some that are distasteful and this is a decision that they have to make to preserve the core of what they do. He continued saying that tonight's presentation focuses on reduction in non-mandated, non K-12 programs, and specifically to focus on SPARK funding and the options for their non-mandated, non K-12 education, Pre-K programming and then a quick look at some other non-mandated areas where they are recommending reductions. Dr. Roy asked Dr. Silva to do a presentation with a few slides on the data and philosophical background around preschool and then they will look at some numbers.

Dr. Silva stated that first as an educator and as a citizen, he would like to say that he admires the board and previous administrations and especially the SPARK teachers who have had a strong presence of early childhood education in the Bethlehem Area School District for many years and as stated that as Dr. Roy said, some of the budget challenges and the choices that they are going to have to make on the expenditures side are ones that are very difficult decisions and they know that as a board. He continued saying that he wants them to know that he joins in that bitter pain that is going to be involved especially this evening and next evenings workshops. He said that as far as early childhood education, and knowing that they already know much of the context, that early childhood is really dedicated as a program to the physical creative adjustment of kids to a school environment with the ultimate goal being students being ready for kindergarten and coming in at an equal playing field who may have had child care and it is more of encouragement, learning and support in the home. He said that the fact is usually around the areas of self-images, as well as academic learning. He said there is problem solving and a learners independence, and went on to say that these are all admirable qualities and the Kindergarten teachers keep telling us that the students that experience in Pre-K comes in with certain advantages and that if they wouldn't have had the program they would not exist. He continued saying that there is national research that shows this. He said that two or three weeks ago, Lee Butz, from Allentown, who is a very strong advocate of early childhood said in his article that he believes he quoted the National Institute of Health when he stated that a large study on early childhood education has found that there some very good

outcomes. Mr. Butz said that long term, although you can't really describe specific outcomes, long term to early childhood education does correlate and he found that children that are in long longitudinal study, who are currently 26 years old, did show that they were very likely to finish high school, college, having higher earnings and avoiding some of the pathologies that happen as teenagers and young adults. Mr. Butz continued saying that likewise on the financial side he found that early childhood education did have a return investment as far as reducing the amount of identifications into special education programs, more expensive alternative school placement, etc. and at a range of \$4 to \$11. Dr. Silva stated that we all need to understand that Mr. Butz, is a man who understands a return on investments and he made these statements and they are certainly true. Dr. Silva also mentioned that as Dr. Roy said, there are state budget deficits all across the United States that this has had many state legislatures looking at early childhood. He went on to say that there are some states like Georgia and Colorado that over the previous 10 years have essentially created universal early childhood education through its public education system through taxpayer funding. Dr. Silva said that Pennsylvania had done it largely through grant funding, dedicated grant funding, Pre-K Counts funding, but that many of those states have over the last two years and recently, this year especially, have been cutting back on that commitment and many times eliminating the funding stream that had served it and so even when states have seen the gains, the economy and financial gains, the mandate of sustainable budgeting has led to restrictions in early childhood education.

Dr. Silva indicated in the next slide that this is the data from Pre-K Counts, which Bethlehem has used in the past to support partially the early childhood education at SPARK and it collects data from its member school districts of which Bethlehem was one of the larger ones and found that just the growth and outcomes from the fall of 2009 when the students entered early until spring at the end of the year, that in terms of thinking and scientific thinking, mathematical thinking, language development and skill development and social skills, that just during that one year, Pre-K Counts school children in the Pre-K Counts grant did show much growth. He said that SPARK itself has mirrored the national goals of early childhood based on knowledge, communication, and working effectively with others, and that that is probably the most important one and instilling in the children an intrinsic motivation to want to learn and to succeed. He said that any kindergarten teacher can tell you that those qualities do create more successful kindergarten students, and so

given that context and the current budget realities that they are facing, he thinks it is important to understand how the district has funded, and has gone about this commitment to SPARK, especially in last year's budget where funding streams were. He said that as they can see the columns further to the right, the funding sources for 2011 and 2012 came from four large areas, Title I stimulus funding to the tune of about \$236,000. He said that if you were to price that out, that would pay for approximately two (2) teachers and two (2) teacher's assistants. He continued saying that the Accountability Block grant, a favorite of former Governor Rendell's, contributed another \$464,000 and covered five (5) teachers and five (5) teacher assistants. He continued saying that the only categorical fund, Pre-K Counts that has to go directly to only early childhood education was the largest contributor of funds which is \$627,000 which helped them to pick up additional teachers, a health assistant and secretary at the SPARK building. He went on to say that there were some other loose ends paid for by PA Pact which increased the number of teachers to the point of where they have approximately 280 students at SPARK being served by the number of teachers in a dedicated school with transportation, and with a pretty robust curriculum. Dr. Silva said that the total cost out of those areas revenues were about \$1.9 million.

Dr. Silva said that in addition to that, that there are SPARK expenses that do come out of the general operating budget, and it is unavoidable in terms of the maintenance of the building, the safety inspections that go along with it, snow removal, lawn care, utilities, and others, and Mrs. Gober has been working hard to get the total effort towards SPARK and is constantly abating them, but conservatively, in the low end, and the overall operating costs of SPARK were approximately \$2.1 million or a little higher. He said that that was a conservative estimate.

Dr. Silva continued saying that going forward in the economic environment knowing what they know about early childhood, and knowing how they funded it in the past in Bethlehem, and knowing the current economic realities facing the district and every school district across Pennsylvania, there are really three basic options going forward. He said that Option 1 – Eliminate SPARK program entirely and forego the early childhood education and Pre-K programming in the Bethlehem Area School District. He said that that would make the cost of the program \$0.00 to the general operating budget as there will be no expense, and there will be no program. He said they would forgo the Pre-K Counts grants and the cost of pursuing the grant and it would

be an overall reduction as far as budget reduction since they have other grants that could be used for other elements in the budget of about \$1.5 million. Option 2 – Superior to Option 1 and is the administrative recommendation for this evening. Dr. Silva stated that this would be aligning SPARK services to be approximately equal to the Pre-K Counts grant. He continued saying that working both sides of the ledger, the amount of the program dedicated to the amount of the funding source to make it sustainable to the grant and making it reduced in scope. He said that that would make the operating costs and the general operating budget down to \$0.00, but they would retain some early childhood education in the Bethlehem Area School District. He said that it would just have to be repurposed, redone, scaled down and the \$1.5 million that was previously in the budget that was dedicated to SPARK, could be distributed to other programs in K-12 education that might also be under a lot of economic stress at this point. Option 3- Recognizing the value long term and short term. Dr. Silva said that what this means is to maintain SPARK at its existing level, or maybe slightly less than that level, and exercising the Pre-K Count grant but also adding an additional general operating budget effort and grant effort up to \$1 million if they wanted to keep the program as it was.

Dr. Silva went on to say that looking at each one of those options, Option 1 would have the most immediate budget impact and would allow for the greatest funding of K-12 programs and the primary mission of the school district. However, they do not recommend it because it loses the most immediate and long term benefits of Pre-K, which they do believe there are some which do not have to be forgone if they are able to get the Pre-K Counts grant and use it to continue their program as a repurposed, scaled down program and at least there would still be some of that return on investment in early childhood and they could use their existing facilities.

Dr. Silva stated that Option 2 which is the recommendation of the administration, using approximately a \$600,000 grant funded SPARK program of reducing the operating costs by \$1.5 million, closing the SPARK building, saving the costs of running and operating a facility, eliminating the transportation and the busing, and therefore because they would be having a small budget, they would have to serve a smaller number of students, so the eligibility requirements would be need to be tightened to the most needy four year olds. He went on to say that entrance requirements would need to be redone and then they would use, instead of having a SPARK building, they would have regional

SPARK classrooms in elementary schools, north and south, and in the city that would have existing space to use the Pre-K Counts funds, and make it in the home school, sort of making SPARK more of a neighborhood program more than a regional school program and that would allow for the reduction of approximately 10 teachers, 10-11 aides, 1 health personnel that are at the SPARK building, the .5 secretary, and 1.5 custodians, and the principal.

Dr. Silva stated that Option 3 would be to maintain the current program or go beyond the Pre-K Counts funding of it and give the general operating budget effort or other grant efforts towards it, but the feasibility of that is difficult given the macro economic issues and also the future budget workshops that will be here, where he will be talking about other types of cuts that he doesn't like either, but they will be in K-12 programs and having that perspective Option 3 was not the administrative recommendation.

Dr. Silva said so that they are under no illusions on the educational side, that this will have an effect on their students and will have an effect on their schools and on their budget. Additionally, he said that there are other non-mandated, non school day activities that fall out of the general primary function school systems, especially as it relates to after school activities at elementary schools, that they have enjoyed over the past years and the cohort for ASPIRE grant funding, which went to fund after school activities, not tutoring, but more like enrichment type of activities for students, usually based upon economic need. He said that that grant is running out and there are district employees attached to that grant that would no longer be required to provide service because the services are no longer funded. He said that that would mean that supervised afterschool enrichment activities funded by that grant would be eliminated at Donegan, Marvine, Freemansburg, Clearview, Thomas Jefferson and William Penn Elementary Schools. He said that it would not effect Cohort V ASPIRE funding which they received last year which is multi-year for the middle schools, but he would anticipate that they will be in that position next year or whenever that grant would end in terms of those after school programs, so it is Pre-K, it is before the K-12 system after school for enrichment and extension, and he thinks they are seeing that if they start with the non-mandated, non K-12 areas, there is significant funding in the Bethlehem Area School District which has served kids and the schools well, but as Dr. Roy said they are in a different budget reality and the board has given them the charge to have sustainable budgeting and a tax increase of 1.7 percent. He went on to say that these are

the distasteful elements of tonight's presentation.

Dr. Roy continued with the presentation and stated that in the last three weeks since the adoption of the preliminary budget their focus has been on the single largest non-mandated K-12 program in the district around SPARK and again realizing that in this difficult time they have to focus the resources they have on the core programming. He said that it is distasteful, and it is difficult, but in order to get to where they need to be with a sustainable budget, for not just this year, but also the future, he thinks these are the hard decisions that they are facing. Dr. Roy said that when they look at the gap where they were and by gap it means it is the gap between revenues and expenditures, and as of February 7, they were at \$7.6 million and when they look at this evening's recommended reductions they are now still facing on February 23, a \$6,000,000 reduction gap and the tax increase, if they were to stop here and do nothing else and say they are done, which obviously they are not, they would be facing a 4.83 percent increase, and so far this is the step down that they have taken. He went on to say that if they look at their flight path to a landing and not a crash landing, later on in the spring, they will be working their way down from January and they will see this evening at February 23 and then when they jump to the April 26th budget hearing, the target is not more than 1.7 percent, which would close a \$2.1 million gap, and therefore they still need to go from \$6 million to \$2 million, and if they look at the right hand column, that is with a 1.7 percent increase built in. Dr. Roy stated that if they took the revenue increase from the 1.7 percent that is what is show in the right column, and the other way to look at it is the same math, is that if they assume a 1.7 percent increase as the maximum, then they will still have \$3.9 million so they are talking roughly \$4 million still in reductions or if they have an increase in revenues, the closing of the gap can come from both sides. He said that this is the difficult position they are in, and when they come back on March 24th, the revenue expenditure gap that they need to continue to close, they would be looking at least cutting that gap in half from \$3.9 million to half of that, and there are two big data points, that get will have in hand by that date, and one is the state budget, which will be unveiled in early March 9th, which will then give them a much better handle on at least what the governor is proposing for the basic education subsidy and whatever his funding will look like for education. He said that that will help firm up a bit, their projections on the revenue side and again they can be hopeful that they will receive more revenue than they have projected, thus closing and minimize the reductions, but again looking at the economic

climate and the situation the state is in, they can be hopeful, but certainly not count on it, and then the second big data point they will have is staffing numbers, to middle school course selection, particularly course selection where numbers are coming in the next week or so and so those are the numbers then they look at to determine staffing needs at their largest schools and from that they will determine staffing reductions. The one thing that they are focusing on is that in order to get to close the gap of this magnitude, \$3.9 million dollars, they need to continue to look at items that generate reduction, reductions that generate the most savings and that is personnel. Dr. Roy stated that when they look at the rest of their budget, there are large areas around supplies and so forth, and the district has made significant reductions over the last few years. He stated that if they look at replacement cycles, they know they are off of regular replacement cycles in key areas. He went on to say that they can't go there and say lets hold off this year on this replacement cycle for technology because the district has already gone there. He said they are going to focus on the personnel costs, over the next month until March 24th because they will have better data to make those decisions and then they will be able to come back with those recommendations as well as more information on the state revenue. Dr. Roy stated that at their April 7th meeting, they will work through personnel, then they can go to areas that probably won't generate as much savings, but they will need to look at the cost reductions in specific programs, supplies, contracts, and those types of things of both the non mandated and mandated areas and then by April 26th other cuts that are necessary to get them to not more than the 1.7% to the \$2 million dollar gap. Dr. Roy stated that that is what the administration is bringing to the board this evening as an update on the progress.

President Cann asked for suggestions or comments from the board.

BUDGET DISCUSSION

Director Leeson stated that she was wondering on the chart that they received on page 6, at the bottom of page 6, it shows the gap. She asked if they could have one more column with the gap with the 0% tax increase. She went on to say that it shows the gap of the dates and milestones from workshop hearing states the gap. She asked if they can add another column because she thinks they referenced a couple of times, no more than 1.7%, but she thinks they would like to see 0% and where things fall at that point as well.

Dr. Roy stated that in a sense it is there with the \$2 million or \$6 million at this point. He went on to say that at this point a 0 percent increase would require \$6 million in cuts.

President Cann stated that she agrees that it make sense for them to see it because the way this is now, even though they can see how much money it would take to get to 0 percent, they don't know what kind of cuts that extra would represent. She said she thinks that the board should be allowed to at least consider what kind of cuts a 0 percent increase would require and then make such judgments on that.

Director Leeson stated that she has other things to discuss, but she is going to allow others to speak.

Director Ortiz stated that what she is seeing is they have examples of non-mandate program expenditures that they sent them, and the only thing she is seeing is to target after school programs and SPARK. She went on to say that they are talking about closing the GAP on the budget, but it seems like they really trying to close a gap on students learning and they are targeting the most needed kids, at Donegan and Marvine, to not have after school programming. She went on to say that that is ridiculous. They cannot try to close the GAP of the budget by targeting the kids that need it the most and the SPARK program. She went on to say that they have other things that they could cut.

Dr. Roy stated that there is a lot more cutting that is going to need to happen, but the after school programming has been entirely grant funded.

Director Ortiz stated that she understands that but they are targeting the kids again at Marvine and Freemansburg, which are the schools that most need it.

Dr. Roy stated that they are not targeting these kids, however, the grants that have supported the after school program 100 percent and supported the after school programs at those schools have run out, and therefore, if they were to continue those programs, they would have to add money into the budget, and they would have to increase the budget to continue to do that out of the general operating budget.

Director Ortiz asked about what is going to happen to those kids, and what are we going to do? She asked are they just going to eliminate those programs and not do anything for those kids. She

said that this is what she is hearing and that is what you are going to do so that will create the 0 percent increase budget that they want.

Dr. Roy stated that what they are saying is that the grants have run out for the programs, and they cannot afford to increase their expenditures to make up for the loss of the grants.

Director Ortiz stated that they cannot afford to leave those kids behind, that that is the thing that they cannot afford. She went on to say that she believes they have a lot of things that they could cut but not the ones that they are most in need of. She said how can they sit there and talk about closing a school and targeting the kids who need it most.

Dr. Roy stated that is the difficult position they find ourselves in if they were to maintain SPARK, if they were to continue option 1 - maintain SPARK as is, then \$1.5 million of money that can be spent on K-12 programs and teachers would continue to be spent on SPARK, so as they can see they would have \$6 million to cut, but if they maintain SPARK, it has to come from somewhere else and they might have to eliminate other programs, and they might have larger class sizes in Kindergarten, first grade, second grade, and so that is the difficult situation they find themselves in.

Director Ortiz stated that she is not saying that they could not have cuts in SPARK, but what she is saying is to cut the whole program or to diminish the whole program seems wrong.

Dr. Roy stated that their hope would be continue it, but it would be at a significant reduction and they are not happy about it, but if they can, they would like to continue it as recommended with the prepaid grant.

Director Ortiz stated that she is not happy because if they are going to limit their spending on this area, but then there is AP classes that they have that these kids will never be able to go there because right now they are going to be cut from their learning program. She said there are still some ASPIRE programs that will enable them to kind of cut that achievement debt.

President Cann stated that they all sympathize with what she is saying but the way some of them might look at it is it is not that they are cutting it, the state Title I stimulus money is gone, so it is the government that has cut these programs, not them.

Director Ortiz stated that she understands that the government is cutting the funding, but what are they going to do about it. She said that they are the school board, they are the ones who these people come to be educated, so what are they going to do. She asked that they focus also on other things, not only on the most needed ones.

President Cann stated that the other perspective and there are many viewpoints to this and that is that the state has also charged the school district with educating students in grades 1 through 12, and they put their money where their mouth is in the opposite way saying that is your charge so they are not funding anything about it. She continued saying that they have to remember that the real obligation of the school district is to educate the student in grades 1 through 12.

Director Follweiler stated that her original hand was hand up for the same point as Director Leeson, and that she wanted to clarify the chart. She went on to say to clarify Director Ortiz's issue and the other thing that she wanted to point out is that Dr. Roy and Dr. Silva are doing this in a progression and she wanted to clarify from Dr. Roy that it is her understanding that the items that they brought to the table tonight are by far not the only items, but the items that have the largest amount of money.

Dr. Roy stated that they had data on these items that they could act on and the information. He said they have a minimum of \$4 million and a maximum of \$6 million more worth of expenditures.

Director Follweiler stated that is her understanding that these workshops are set up to look at all of the issues prior to May when the next phase in the voting of the budget take place. She said they will have seen the many programs that the administration is going to recommend changed to and they will have seen the many potential revenue sources because in the end, there is one revenue source to the school district or any municipality and that is the taxpayer. She went on to say that it doesn't matter whether, it is federal, state or local taxes, there is one revenue source, the taxpayer, and therefore she doesn't want them to get caught up in where the money comes from, because it comes from the home owner of the Bethlehem Area School District, and they need to stay focused on that, and Director Ortiz is correct that they need to stay focused on how they are going to educate their children to the best quality education. Director Follweiler stated that she had questions regarding the SPARK

program. She said it would help to evaluate the program she thinks that the financials might help and wanted to know what the cost is per student at SPARK today and what was the cost per student at SPARK when they started the program which was roughly 15 years ago, and if they don't have those figures maybe they have had it at some time in the past because she is just interested in seeing where the costs escalated along the road. She stated that it will help evaluate where the money came from, how they evolved from the program, because part of the issues of where they are at today in the budget crisis in any school district is the escalating costs of the school district compared to inflation where the spending has gone up more than inflation, and therefore that is the scope that they have to reign in, where did that gap happen and how do they now get rid of it. She continued saying that she is trying to stay focused on the financials in remembering that their job is to quality educate kids.

Director McKeon stated one of the first slides that Dr. Roy had put out was a they have already cut a significant amount of dollars, \$2.8 million dollars out of other non SPARK related items, and he agrees with Director Follweiler that there is more to come in all the areas, and so it is not that they are targeting one particular area, they have already acquired getting numbers and have gone through some type of scrubbing process.

Director Ortiz stated that she would like to see which programs have closed up and what they are.

Director McKeon stated that due to the decreasing enrollment in particular schools or grade levels, whatever it happens to be, he is willing to consider SPARK fully funded, and this only if they are going to take money out of the GOB to offset it, it has to be 0.00 dollar impact, so if they direly need SPARK, they have got to figure out \$1.5 million worth of cuts in other areas. He went on to say that right now he is leaning to supporting the \$600,000 Option 2 plan and letting it stand on its own on grant money, not knowing how long that is going to continue.

President Cann stated that she wanted to comment quickly that if they would consider taking GOB money for SPARK and cutting programs that are mandated, that's a problem, because they have a mission that is assigned to this school district and when there is extra, there is extra and when there is not, there is not and they have to stay focused on what the law requires them to do.

Director Faccinnetto stated that he agrees with that, but he thinks there is a lot of GOB money that goes to un-mandated things that they are probably not looking at cutting. He said he will find that out down the road, so he is hesitating on saying too much until the budget meeting. He asked if they could see the cost of SPARK at the four-year-old program as it is now. He continued saying that if they cut the three-year-old program completely, and if they still keep the same level at the four-year-old program, what is the difference between the \$600,000 and what that would be.

Dr. Roy stated that it wouldn't be a significant reduction because there is far more four year olds than there are three year olds.

Director Faccinnetto asked for the number of children in the four year old program verses three year old program. It won't be as dramatic a difference between the two as Option 2 is compared to Option 1.

President Cann stated that keeping all of the four year olds would be almost the totality of the program.

Dr. Roy agreed that it would be closer to keeping the totality of the program.

Director Tenaglia asked under Option 2 how many students would you be educating in the SPARK program.

Dr. Silva stated that it looks like it would be about 5-6 SPARK classrooms for about \$600,000. He went on to say that if you have some empty classroom space in schools on the south side, perhaps they may have two classrooms there and some available classroom space in an elementary school in the north side, then that would eliminate the overhead of the SPARK building and the transportation and you would probably get five or six classes.

Director Tenaglia asked if there would be about 20 student per class.

Dr. Roy stated that there would be 20 students per class.

Direct Tenaglia stated that they would be looking at 100-120 kids.

Dr. Roy agreed that it would be about 100-120 kids.

Director Tenaglia stated then that is approximately a reduction of 150.

Dr. Silva stated plus all of the three year olds.

Dr. Roy stated that there were about 280.

Dr. Silva stated about 280 all together.

Director Leeson asked if they are considering continuing it as a full day program or could this be done in half day programs, and if it is done in half day programs then they would be able to service more students.

Dr. Silva stated that that was within the realm of possibilities if that is what could still achieve the mission of early childhood education. He said that to see the amount of treatment that a child needs to have the gain, they would need to talk to the SPARK leaders on that to find which one produces the type of outcomes that they would be looking for.

Director Leeson stated the they could service more students at \$600,000 with the grant money available if they went to half day programs and half day programs have been shown that there are successful half day programs with early childhood programs.

Dr. Silva stated that it is within the realm of possibilities.

Director McKeon asked if Pre-K Counts is that a definite deal and is that going to happen for sure.

Mrs. Gober stated that it is not a guarantee. She went on to say that no one has seen what the Governor's proposal is going to look like although there have been comments that have been made that seem to lean toward some level of support or endorsement of the Pre-K Counts program by the Governor and the administration and so that is where they felt that based on some of those rumored discussions, if anything would stay, that that would be likely to be furthered in some respect. She said that they don't know what the dollar amount would be until they see what the Governor's proposal is going to be.

Director Burkhardt stated that he is just concerned that they will get people's hopes up and then find that that is not even an available source.

Dr. Roy stated that hopefully in a couple weeks on March 8 when the Governor's budget is unveiled, they will have that information.

Director Ortiz stated that what she is hearing is that there is more than the three alternatives, because there is still more things to study about SPARK. She agrees with Director Follweiler about going back to see what they did in the past and how much money it cost, and what are the half day programs, and therefore, there is more than three alternatives that they could come up with that would benefit the kids.

President Cann stated that is a way that is right especially is they say they are assuming they use the Pre-K Counts grant money because that is all that is given to them for those purposes, but you can manipulate that \$600,000 and there is more than one way to do that.

Director Ortiz stated that she would never agree to cut after school programming for schools that are at risk and they don't have a plan to offer them. She went on to say that if you are going to cut this program, then what is it that they are going to do about these kids, since they are talking about the schools in need the most. She continued saying that if they are going to cut this program, then there better be something that they are going to do, because they can't say they are going to cut the program and that is it.

Dr. Roy stated that with the afterschool programs, the funding that paid for those is gone. He went on to say that this proposal is not about cutting, they are not proposing to take regular school district General Fund Operation Budget monies to replace this program, they can't afford to do that. He went on to say that the programs will be over, but they did not make a decision to just cut those programs, the grant money just ran out. He said they are not recommending taking the money from somewhere else. Dr. Roy said that he totally understands and he will work hard to partner with people in the community to what other options there are for afterschool programming.

Director Ortiz stated that they have to have a plan. She went on to say that this is not acceptable. She agreed that they can't take it out of the general budget, but they are not going to leave these kids out to dry. She said they have to have a plan. She said she would never vote for something like this.

President Cann stated that everyone understands her point and they want to have a better world than they have right now.

Director Ortiz stated that this is not about having a better world President Cann that this is about their responsibility to these kids and to put these kids at the same level as the other kids. She said they are never going to be at the same level, and asked how they can sit there and honestly say that they are going to cut the opportunity for these kids to be educated is ridiculous.

President Cann stated she is saying that if there is a certain amount of funding, and right now they might have to dedicate it to the school day and the learning in the school day and afterschool would be a second option if there was more money left. She went on to say that the money that they have which is less and less all the time, she would think their first priority would have to be school day classes, education, core learning. She said that after school activities would have to be a second priority to learning. President Cann said she did like what Director Leeson brought up about the SPARK being half day and from her experience is that most preschools that kids go to are half days. She went on to say that most of them are even only three days a week or two days a week, but not even every day and ones that are full day are usually have a daycare component to them. She continued saying that it would seem that half day Pre-K would be more the norm than anything else.

Dr. Roy stated that this is also aimed at the most needy kids, so therefore they have to see if a half day works. He continued saying that to do half days for twice as many kids maybe less than effective for them.

Director Leeson stated that on that same point, they have been asking for years, to get a study of Bethlehem and what happens in Bethlehem, and they heard about the NIH study and as everyone knows there are other studies out there that don't look as promising as the NIH study. She went on to say that they put out a statistics saying that the early childhood education is wonderful and great, however, there are some studies that are not quite as rosy. She continued saying that they are also referencing the study where Bethlehem was part of the study but it is not a study of Bethlehem. She went on to say that they have had this program in place for almost 15 years and they had the opportunity, and they have the data, to do their own longitudinal study, and they can tell who are the kids within their school

district that need those programs and she thinks that they need to have that data and that information in order to make sound decisions because this program currently is costing us about \$9,500 a child which is about the same cost as a regular student in their systems, and she said that Director Ortiz made reference to AP programs, and they cost us less than the average program because they have more students in those classrooms, so those classes cost us less.

Director Ortiz stated that they don't have a lot of students that come from those schools.

Director Leeson stated that they have students in it and it is their charge to educate every child in the district, not just one segment or the other and they cost us less than this is costing us, so therefore they need that kind of information in order to continue.

Dr. Silva stated that he has been looking and has been finding the data and one problem that they find with many programs is that the process to finding the success of the programs is that during the time when they are going well, no one is really collecting the numbers or collecting the data, and it is only when things get difficult or trying that people go back and look at things. He went on to say that he has been doing some of that research and it is almost like an anthropologist looking at it and although the primary purpose of early childhood is Kindergarten readiness, he said they could look at something in first grade, third grade or whatever and he did take a quick look at the students who are currently in fourth grade now, who were in third grade last year and when they took their PSSA's and he took the SPARK graduates in that group and he took kids who had demographic profiles similar to the SPARK students but were not SPARK students and looked at what their level of proficiency was and on the third grade PSSA reading assessment what their proficiency was and there was a slight improvement towards the controlled SPARK kids as far being above the bar in proficiency. He went on to say that by third grade other factors creep in that effect what that could be, so he would caution on two things on the study, one, the availability of the information and the data that has existed in the program and two, specifically what is their indicators, what is the program evaluation indicator of success long term, and he understands that and he said that in an ideal world, he is a data guy, however, that that would be very difficult to the point where they would be speaking maturity on the programs effectiveness relative to the budget decisions that they have to make rather quickly.

Director Leeson stated that she would agree with Dr. Silva and she is going to add one more point and that is that as he is looking at the data, is the group picture he is looking at the non-SPARK group, a group that has been with the Bethlehem Area School District since if they are not, then that's another issue.

Dr. Silva stated that what he actually did was SPARK sent him over a list of all the SPARK kids from years back to 2004, since that is all that they have in their information system. He said that he ran a query of their current kids and just carried how many out of them were still enrolled and consistently it is coming back at around the mid 80 percent of the kids who were in SPARK are still in their school system. He said that leaves between 10 to 15 percent which may or may not be typical of other students.

Director Leeson stated that she was talking about as he is studying the SPARK students, is he also look at students who have been in the Bethlehem Area School System, since Kindergarten in the non SPARK students, since he wouldn't want to have a non SPARK group verses the ones who have been in their system for the whole time. Personally, she thinks that looking at the third grade is critical because the readiness skills for Kindergarten they are using some data there, and they are saying \$1 and it is a \$4-\$11 return on investment by non identification, but that that is a parameter that is way down the line, 26 year olds who have finished high school/college. She went on to say that they have data they can look at, and they have finished their high school programs and they have gone to college.

Dr. Silva stated that some of the SPARK lists that he has been able to retrieve have been since their information system, so it is a hurdle.

Director Leeson stated that she was going to say that that data she thinks is so critical for them as they are looking at this particular issue.

President Cann stated that she wanted to bring up quickly what Director Faccinetto was saying that the SPARK and ASPIRE programs are not our only non-mandated programs and although she would think the other non-mandated programs are involved are K-12 or 1-12. She said that the students that they are in charge of educating are still going to be looked at as well, and they have a long way to go.

Director McKeon stated that he and Director Tenaglia visited SPARK two years ago, and principal Osmond collected data, tracking the students moving forward and the number was 78 percent. He said he didn't think that she had done any testing comparisons. He went on to say that the thing that concerns him is the \$6 million revenue increase that is still sitting out there as a fog. He said he didn't want to be too negative about it, but wondered how much of that \$6 million is part of that increased tax revenue.

Dr. Roy stated that he feels it's a good point to come back to the revenue side because these are projections and the GAP could get worse if the stated revenue is less.

Director McKeon stated that if he is telling them that they have \$6 million, \$2 million is due to the increase in local tax revenue, he might be able to swallow that, but if the \$4 million is for basic education, then he has a problem. He went on to say that why he is saying this is because they got stuck with that two years ago anticipating X and they got Y minus Z.

Dr. Roy stated again that they will have better information on that at the next workshop.

Director McKeon stated that he understands but the GAP itself is a little soft.

Mrs. Gober stated that where the revenue changes occurred primarily were they had included in anticipation of getting the Edujobs money for use in the 2011-2012 school year, and when that picture started to get fuzzy, and it was the day of their workshop that they started to get hints that that was in question, so they had taken that \$1.9 million down to \$1 million, and so there is still \$1 million of what she would call soft money in there. She went on to say that the other piece that is questionable, but somewhat less though, is when she originally projected the basic education revenue, she did it ultraconservative because she also feels that it is easier to come back and say hooray they've got more revenue, they have gotten more subsidy but in talking with some other people, it was felt that she probably went too far because what she had done, was she eliminated all the stimulus revenue and then went back and looked at what was the base state fund basic education subsidy and then reduced that by another 10 percent. She said in looking at that where they made some of those adjustments and brought the state portion of the basic

education subsidy back to 100 percent of what it would be in 2010-2011. She went on to say she still cut all stimulus money, still reduced the education assistance subsidy line item and reduced or eliminated the Accountability Block so it is still dramatically less than it was in the current year, but there are rumors as early as this week that are suggesting some serious cuts, greater than what they have anticipated here in addition to the Edujobs. She said that she thinks it is just way too early, the rumor mill is flying rampant, and they just need to sit tight for another few weeks, and that will provide them more than enough time to continue to do the work that they need to do once they have and that is not good information either, but at least it's a start, it is a starting point because then it is still subject to the legislative debate and they all know that that doesn't necessarily mean that they will have an answer by July 1. She continued saying that none of this is an exact science but they will adjust and punt accordingly as they move along the way.

Director Leeson stated that she had one comment. She wanted to share some information to Director Ortiz that there are a number of afterschool programs available within the community as well. She said that there are afterschool programs that are churches, there are afterschool programs through the library, through the boys and girls clubs, there is a south side coordinator through the recreation department that works with students in afterschool programs, so there are a lot of after school programs that are available and some of them are underused, and they are not being fully subscribed to. She said that there are other options within our community outside of the SPARK program.

Director Ortiz stated that she needs to know that there are a lot of afterschool programs because they are looking at the schools that need the most, and need to know if some of these afterschool programs are more like math and reading since that is what these kids need. She said that the other afterschool programs may be more recreational and would like to find a lot of after school programs that will provide reading, math and all that for the kids, and then we will be saving them.

Dr. Roy stated that Director Ortiz hit on a very good point and they didn't do a good job of making things clear. The \$4,000 was for the extension activities, the tutoring money that they get they still expect to get that, but if they continue to get that they will be able to do that. Dr. Roy asked Mrs. Tate to address that issue.

Mrs. Tate stated that they have utilized tutoring in Pennsylvania which is now the educational systems program, and that that money which they anticipate will be a portion of it in the future budget, will be utilized for tutoring the cohort for the afterschool program because the funds have diminished and they were really on a shoe string until June 30 of 2011 when it will end. She said that that has supported the enrichment recreation component. She went on to say that tutoring in the four subject areas will still hopefully be able to go on with other funding that they anticipate will be available.

Director Leeson stated that on page 1 they talked about supporting the multi-year financial goals of the Bethlehem Area School District, and she wanted to share with them that she was struggling with this because they still have not received their audit for last year, and they don't have their five year projections and she thinks they had historically always looked at five years projections usually in December or so and that helps with developing plans for what they are doing with this year's budget and she thinks it is very difficult doing a budget in isolation without looking down the road. She then went on to say that they know that they have the PSERS bump coming in 2012-2013 and unless something is done at the state level and they renegotiate their south side TIF and they know that they are getting some additional money from that south side TIF, and at the time they negotiated it they wanted to have a discussion on how are they going to allocate that money. She said she is getting the idea that this was just put into the GOB fund.

Dr. Roy stated that that was correct.

Director Lesson stated that she feels they need to have the discussion as to how do they want to allocate that money. She said there was a discussion at one point that they would let that ride as a little cushion, as a little help towards that PSERS bump that is coming in 2012-2013. She said it would also, in the next couple of years, help to support the fund balance, to put the fund balance in good shape so that when they did get the PSERS bump, they knew that they were not as concerned about putting money towards the fund balance since it would give them another additional line item to help them through the PSERS bump. She went on to say that she really thinks that they need to take a look at those five year projections and they need to take a look at a bigger picture here, how are they not just funding this year, but how are they going to support, the multi-year financial goals of

the Bethlehem Area School District, but she doesn't think they know what their multi-year financial goals are unless they have five year projections and they are looking at those multi-year goals.

President Cann asked if they could make that part of next budget workshop.

Dr. Roy stated that there is money budgeted, and there is money in this budget for the fund balance. He stated that it is not \$2 million plus the additional revenue from the TIF money. He said the challenge, and that is a good conversation to have, is with the reduction in revenues that they are anticipating, taking the plus side of the revenues from the TIF and putting them aside is not helping to fund their current needs and that will result in even additional cuts. He said that one of the things that he forgot to say earlier on the revenue issue, is that even if they end at a 1.7 percent tax increase, their total budget will be less next year than it is this year because of the decrease in the revenues. He said that if the revenues don't change in the state side then that is a major challenge to produce a budget that is lower in one year compared to the previous year and that is the track that they are on if they go to a 1.7 percent. He said that it is a tough path.

Director Follweiler stated that she knows that they are centering tonight on the presentation but she just wanted to again reiterate the same conversations that she has had with Dr. Roy and maybe some others, but on the overall budget, President Cann touched on it a little bit before, their legal obligation as a school district, not their moral obligation, but their legal obligation as a school district is to educate the students from grades 1 through 12. She said that there are things they talk about unfunded mandates and we talk about non-mandated issues and most of them are something that they know and as conservatively fiscally as she is, she wouldn't be willing to really entertain, for example, transportation, is not legally required, so in essence they could say, they're tired of transportation and cut out the entire transportation department, again, she doesn't think that that is a good option, but she thinks that to be open minded to where all their things are, Kindergarten, is not legally required and they are talking about Pre-K and early childhood education. She said that everyone knows that some fifty years ago or so that same conversation was going on about Kindergarten and it was added into the public education system, so they now, philosophically agree, they need the data. She said it was interesting to her to listen to Dr. Silva talk about how difficult it was to get the data

on their SPARK kids because of the lack of names that were there, but yet the study can clearly show that when \$4 is saved, and she doesn't know where they can get that information since as Dr. Silva stated, that there are so many variables coming in, so they need to stay open minded. She said that extracurricular activities she is not in favor of eliminating them, but they are also not legally mandated, so they need to make sure that they are not pigeon holing themselves to certain items and that again their funding is only one funding path and that is the taxpayer and they have to share the burden, so she thinks they need to reopen the door to look at things, like Pay to Play we brought that up a couple of years ago, and the board at the time wasn't interested in it, but she thinks it is an avenue that they have to explore to share the plan around, to all the members of the community. She asked if they shouldn't look at the distance of their transportation, since right now they have a two mile limit at the high school, do they make that 2 ½ miles, and what kind of financial change does that have an impact on. She said that these are just some ideas that are going through her head before the next budget hearing and she doesn't know if other board members have more but they have really got to get out of the box, because as Dr. Roy stated, if this budget is lower than it was in 2011, and yet they are still raising taxes, this is not going to be an acceptable solution to the home owner who hasn't had an increase in their social security. She said they really need to look and ask what is their legal obligation to the students of their district, and what is their moral obligation to the students and the community to educate the students so that they are later an active part of the community and can then participate in funding. She said she looks at public education of which she is a subject. She said she doesn't have children so she is not paying for her own children to go to school, but she is repaying those who paid for her to go to school. She went on to say that there is a lot of ways to look at why they fund public education, but she asked 20 years what was public education; 30 years ago what was public education; and what is it today and as she said before how did they have a growth in spending higher than the growth of inflation and everyone needs to try to real that back in and get to the focus of what is reasonable and what can be sustainable in the future. She said they cannot use stimulus money for something that they want to sustain. She said that Director Ortiz is very upset and she feels her pain. She said she is looking at programs that they paid for by one-shot grants. She continued saying that they have had this discussion as a board many times and this is a one shot grant. She continued by saying that when the grant goes away, the program goes away. She said that this is why the stimulus money

was distributed to be spent on one time spending only. She said so this board and many other in their community have spent that money on items that they want to see in the future, they can't do that and she hopes moving forward, they don't use any one time money for anything that they want to sustain. She asked about what can they sustain in this budget for the next 10, 20, or 30 years and that is where their educational focus has to be.

Director Burkhardt stated that he would suggest that when they start talking about all those different mandates and local mandates as he likes to call them as far as they aren't really required, but are strongly supported by transportation as they mentioned that if the budget were to go down to a \$0.00 amount, and then say maybe we'll take it to 1 percent sustainability and it has to be a key factor in whatever gets restored, or they won't have a multi-year budget cycle that will support the school district now and for the next generation. He said that these are key factors and unfortunately sometimes sustainability and some of those local mandates and even some things that really effect student's achievement are at odds. He went on to say that that will be a tough discussion and that is why it is difficult to be a school board member. He said it was interesting to listen to this discussion and realize that there is one huge piece of the puzzle nobody has taken into account and that is the fact that previous boards of education sat at this table and made decisions, for example, to fund SPARK out of grant money, those boards could have made the decision to fund it out of the general fund, if it was that important to them, they would have funded it out of the general fund because those are their kids, just as the kids coming from other areas in town, but they didn't, they decided to fund it out of the grants. Now, they are paying the piper, and ask do they continue to fund them or are they just going to wipe it out, or do they fund it out of the general fund. He continued saying that that is really what people are going to have to vote on at some point along the way. He said he has listened to these discussions in the past and he knows how frugal the board has been, and that is why they have the lowest tax rate in Northampton County, but what they have done is they have funded the critical programs in parts of our community on the backs of funding sources that were soft. Now they are faced with the reality of what are they going to do about it? He hears clearly that some don't want to fund it if it has to come out of local funds and that is the decision that everyone has to live with.

Director Ortiz stated that she agrees with Director Follweiler that they have to look and have a balance where they are going to be

cutting. She also wants this board to put in perspective, are they going to fund the academic first because if they are going to do that like Director Follweiler said, then they have to go back to Pay to Play. She said she voted last time as something they needed, because they need everything for their kids, but at this particular time, it seems that they have to focus more on the academics because if they want these kids, they are going to pay now or later, and they want these kids to close that gap, but they just can't take away the academics at this time and if they are going to make tough decisions, then they are going to have to make tough decisions on all sides, not just the ones that are most needed.

Director Lesson stated that she agrees with Director Follweiler's comment that they have to start thinking out of the box, that it is not limited to one or two programs, and she does need to emphasize that she believes that the administration currently is working on the ASPIRE program and they are looking at the recreation programs, not the educational programs. So just to clarify that, but there are just a couple of other area that they talked about last week, and she knows that she was opposed to it, so she will put that out there, she said they are basically subsidizing their younger athletic program, the Canes and the Bull dogs, by paying for the custodial help, and she is not sure that they can continue to fund that. She continued saying that it is not limited to that program, it is all programs, all volunteer programs, and she is wondering if they are looking at their professional costs, in particular their legal costs, and are they looking at ways to reduce them. She said there are some pretty large expenditures and she thinks that there may be some creative ways to look at those expenses, when they put the list up of personnel, there is other large expense areas that they could also look at. She said they had talked last year, and have continued to talk about their going to one athletic director, and she thinks they are seeing this now in some other schools that they are doing a combination of athletic director and extracurricular which they are also paying for. She asked if they have looked at the electives for both the middle schools and the high schools, and have they been looking at those and making sure as they are as focused as possible to their mission of high achievement and academics? She said she had one other question, she said she read somewhere and she heard about an enrichment period at Freedom High School.

Dr. Silva stated that Mr. LaPorta was mentioning about what would be called a skinny period, a fifth block, which isn't

necessarily for enrichment, it would be not like that in the way that the Cohort IV or ASPIRE would be about. He said this would be a period during the school day where students would be able to get, not every day, maybe once on the cycle, but would have the ability to get extra help, interventions for students who aren't proficient on one of their benchmark assessments, things related to which might be anti-bullying programs or something along the lines where there would be time created every so often within the cycle for the school to address issues, other than just going to four classes a day for the students. He continued saying that that was one of the issues he was talking about in developing the schedule for next year, and it would not have an implication on staffing or an implication on anything.

Director Leeson stated that she is hearing that this is already out there and that the kids are already scheduling.

Director Tenaglia stated that he attended Freedom's Back to School Night or Parent night for ninth grade and it was in that presentation.

Director Lesson stated that the board has not approved that and she believes they approved a course of study. She continued saying that she thinks that needs to get board approval before that goes forward.

Dr. Roy stated that he would want to check on this, but he believes it was in the Program of Studies.

Director Leeson asked if it was in the Program of Studies. She said that they received the highlights of changes, and she doesn't believe it was in the highlight of changes.

Dr. Silva stated that he was assuming it was based on that, but he will check on that tonight.

Director Leeson stated that she had wondered if there was any additional cost to the district.

Dr. Silva stated that it has to work with the existing staff and the existing facility and there are no additional costs to the district.

Dr. Roy stated that this a 30 or 45 minute period once a week to hopefully get some stuff done during the day that is hard to get done after school trying to get kids to come for tutoring and so forth.

Director Leeson stated that is reducing the amount of time that students are in class, and she thinks that again that that is past by the board and this discussion was really more about whether their was cost to it.

Director Follweiler stated that she just wanted to tie in with something that Director Leeson said and it was another thing that she had in a conversation with Dr. Roy which was about the electives and looking at the subscription rate. She said she thinks right now they have a 15-student minimum, and she thinks they need to look at raising that for any of the electives that are undersubscribed.

Dr. Silva stated that Director Follweiler must have been a fly on the wall in their recent discussions in their cabinet, since he can assure her that a lot of the topics that they are talking about, and working ahead on, Dr. Roy has charged this cabinet to be thinking and being creative and thinking out of the box and talking about those issues which are common issues in every school district and so he can assure her that many of the things they are saying are part of any years ongoing discussion, but particularly this year.

Dr. Roy stated that that is the data they will have over the next couple of weeks when the high schools finish their first selections and that is when they do the process of going through and saying how many kids are signed up for each class.

Director Follweiler stated and again sustainability. She said that moving forward into undersubscribed this year only, but the last four years in a row it was subscribed, that might not be something to look at, if something has been undersubscribed historically that it something to look at.

Dr. Roy stated that at the high school level it is better to offer something every other year. He said they might have a big group this year for psychology and then the next year it is down because every one was interested, and so they have to wait another year.

Director Follweiler stated that this actually might help more students to be able to get interest in a variety so for their junior and senior they could look at different options.

Director Leeson stated that does probably happen more at the high school than any place else that we have to look at

undersubscribed electives, are we looking at combining our two high school if necessary in some of these electives if there is a cohort of ten here or 12 over here, are we looking at possibly combining the two and one that comes to mind is organic chemistry that I believe we used to offer a number of years ago, but it was undersubscribed, it was dropped in its course and perhaps if it was offered to both schools you would have a large enough group.

Dr. Silva stated that sounds good in theory but that practice is very difficult to pull off because of transportation issues, the kids either lose a significant amount of time in the exact period, if there are going to period two at Freedom to period three organic chemistry at Liberty. Until they trot out to their car, get in the car, go to Liberty, find a parking space, get into the building, they are probably at about a half hour into the course and that has always been a problem. We have done distance learning and it hasn't worked, but in some of the hands on courses, distance learning doesn't really work, if you are talking about a theory course, yes that works fine. I just caution that that sounds good, but it is really tough to pull off for some kinds of courses.

Director Lesson stated that she understand that it is difficult, I know that, but first of all it is primarily juniors and seniors who are getting into those type of electives first of all, but secondly there is distance learning that is much more refined now than it was back when we used it between the two schools.

Director Ortiz stated talking about distance learning we are investing in technology, and we are not using distance learning, so we could save us a lot of money doing that, so do we have a plan with technology to kind of expand on that?

Dr. Roy responded that we have to define what you mean by distance learning, if it is taking an online course, our district does not do a lot of that right now, that is one of the things that we are definitely going to look into expanding those opportunities, but sometimes that is a way at a relatively low cost to provide opportunities to take a course that we can afford to offer here.

Director Tenaglia stated that he likes dual enrollment and other stretch learning opportunities. He would prefer doing dual enrollment where kids are in stretch learning opportunities, and they are advancing their post high school ambitions to their high school years. They may have compared distance learning to dual enrollment, the dual enrollment seems to have the benefits

without necessarily limiting the costs the cyber learning has, but those type of things of freeing kids during periods to be out of the building so that teachers don't have to supervise, those are creative things that will be in discussions for the next two meetings.

Director Ortiz stated that she would like to see more about the distance learning. She knows dual enrollment is okay, but we still need transportation, at least to get them to a college we need to get them transportations. Distance learning, if we are going to get these kids to prepare for college, most of college kids, what do they do? They take classes online, so we need to use technology as well, and we need to kind of put this also in the front.

Dr. Roy stated that there are some high schools that have made it a graduation requirement that you must take an online course as part of graduation requirements, because it is more common in colleges and there are a lot of opportunities in their consortiums to allow us to get involved in that.

Director Leeson stated that when we are talking about places to find money, I found one more place, our concession stands which we gave to booster clubs and quite frankly these are tough times, these are really tough times like Mrs. Follweiler said. Sometimes we have to think out of the box and you know there is money being made at the concession stands and perhaps we can use that to support some of our athletic programs as opposed to Pay to Play which has not necessarily always been successful.

President Cann stated that Mrs. Leeson had mentioned that before, and she said she was talking to her son at college and he was just telling me this week that the concession stand is offered to groups that need fund raising throughout the university and every so often they post some dates and is first come first serve and whoever grabs it says we'll do it, then they get all the money and they have to man it, make plans for the entire stretch of time and then it goes to that organization and it is open to all organizations throughout the year.

Director Leeson stated that what Mrs. Cann was referencing is that I have mentioned at the high school level our academic programs do not have the opportunities to raise funds that our athletic programs do. Our academic programs we have reduced the opportunities to see food because of the wellness program, we don't like to encourage door to door sales, and so there are very limited opportunities which means that some of these

organizations don't have funds to operate and then there are other groups who have a little extra, and they do a lot of discretionary funding. So, it is an unequal balance.

Director Tenaglia asked if he is to assume that the recommendation of the administration in the budget that they will be bringing forward to us in a more final form would not include SPARK except for the \$600,000 Pre-K count grant.

Dr. Roy stated that that was correct, and it will include the scaled down SPARK with classrooms located in the neighborhood schools.

Director Tenaglia also asked that if the Pre-K count money is not there, then we will have no SPARK at all.

Dr. Roy stated that is correct as of now.

Director Tenaglia stated he needs to understand how this thing is rolling. It is one thing to bring this forward and say here is where you could find \$1.5 million or \$2.5 million. It is more than discussions. You are basically saying this is on the chopping board.

Dr. Roy stated that if we are going to come down to reducing the GAP to 1.7 percent.

President Cann stated that in the end the board either accepts or rejects the recommendations.

Director Burkhardt stated that we need to send a signal to the administration that we support moving in that direction or no we want to keep SPARK and find something else. That is the reality.

President Cann stated I'm not sure necessarily whether people will know tonight depending on what the other options are that come forward in the next couple of budget hearings.

Director Tenaglia stated that if we are going about this in a sequential manner then the assumption out to be that well that \$1.5 million is off the table, now lets start working on the next XX amount.

Director Leeson stated that she believes the board did send a message last year that if funding was reduced that we no longer can continue supporting the programs because we don't have

extra money. There is not excess money, there is no additional money in the general operating budget.

Director Ortiz stated that what she is hearing from Mr. Burkhardt is that what we were going to go back and see what our options are. Now what I am hearing is that if we don't have the \$600,000 it is going to be cut, period. Then my questions is what services are we going to be giving to kids if we are going to cut the programs that really are doing what has to be done. I don't understand, we are going to cut a program that has been there for 15 years. If it has been there for 15 years, it's because it has been working. Regardless if we have a study or if we don't have a study, why shouldn't we put that in the general budget.

President Cann stated that that is something the board has to give some thought too.

Director Burkhardt stated that for 15 years this district decided to fund it out of soft money or else we wouldn't be having this discussion right here and it would be just another line item in the budget. We might have to have the discussion because of where we are losing revenue, but it would be part of the GOB, but its not and it never was and now we are faced with a dilemma and that is really the problem.

Director McKeon stated that some of it was in the GOP for many years except when we got into our budget crunch two years ago and all of a sudden this manna from heaven came from Washington, and we were able to keep some of it. So and I agree with you. My other point is the we had some local issues that didn't necessitate us to grasp the crunch and that was the whole discussion if the SPARK programs moved then how are we going to fund, so planning GOB funds with grant monies to continue the program, so there are contradictions from the GOB in prior years.

Director McKeon – My other point and I have always been a strong component, if we are going to have to lay people off the sooner we get that out on that table we are not waiting like we did a couple years ago and wait until August and then layoff 40 people, and I am not suggesting we create a layoff list or a checkerboard list or anything. If you don't have a lot of seniority I am going to give you the opportunity, you may find something and leave the school district. I don't know, but I think it is only fair for those individuals. I don't want to scare anyone until Governor Corbett voodoo economics that he is accused of by

other people, or we come up with our version of voodoo economics. I think it is reality that has to be looked at.

President Cann stated that given the information that you have now, change your mind as things progress. This is just to get a general sentiment, do you support the administration's recommendations made this evening regarding continuing SPARK only to the extent that there is grant money for it and the same with the afterschool recreations programs?

Director Ortiz stated that we still have to look at some other options.

Director Follweiler stated yes to President Cann's questions.

Mr. Burkhardt stated yes to President Cann's questions.

Director Leeson stated that these are very difficult economic times and in particularly difficult in our district and so quite frankly, I am looking at a 0 percent tax increase, and in order to get there, we have to make some of these tough decisions. I quite frankly think that this a very reasonable approach. And by the way we did not have the three year old program for 15 years; we have had a four year old program for 15 years, and the program was much smaller and more along the size of what we are talking about. I think that this is a very reasonable option and I am for it.

Director Faccinetto stated yes to President Cann's questions, but he would still like the other information we had talked about.

Director Tenaglia stated that this is part of the process of the administration's filtering down as we directed, but I don't think we should be taking votes at any step in this process, because if he comes back with something more in the future, it may change my thinking on an item that was discussed prior.

President Cann stated that she did this just as a general sentiment whether they have to scrap it.

Director Tenaglia stated that the administration has a process and in going through the process their explaining it in a manner as to how they are arriving at these costs, but until we get to the next budget vote, I don't see the validity of us going around the table.

President Cann stated just to give some direction to them on whether it is even feasible to continue thinking about this or not.

Director Tenaglia stated that in an email for this meeting, the administration was also supposed to give us an update on the Edujob and thought that would be more specific.

Dr. Roy stated that he did not go into specifics, but Mrs. Gober can update the board.

Mrs. Gober stated essentially the meat of the suggestion as it is presented at this point, is that the Governor intends to take the \$387,000 in Edujobs funds and use that primarily to restore the series of cuts that were approximately \$50 million in August. That came from the reduction in Medicaid funding at the state level.

For Bethlehem that equated to about \$700,000. They are going to restore that August revenue, the remainder of the Edujobs money they are going to utilize to back fill the state revenue deficit and there will then not be any revenue available through Edujobs for school districts in 2011-2012.

Dr. Roy stated that there is a good little summary that he found that he had received that kind of repeats also what Stacy said. Essentially the \$387 million that the state is receiving in the Edujob will supplant existing basic education funding for the state. Under the plan, \$50 million would restore the cuts that Stacy was mentioning in July and the remainder of the Edujobs money will be put into the basic education funding for the current fiscal year, thus freeing up \$337 million for the state to take and use somewhere else for whatever in the state budget. So that is what caught districts by surprise because everyone was assuming since it hadn't been released thus far this year, we would have it available for next year.

Director Tenaglia state that this all came out and there was an email from the Department of Education that went to the superintendents and one of the press picked up on the fact that the Edujobs, the \$337.8 million which is most of the \$387 million that was federal education job funding, the Edujobs, and then it talked about the fact that this was signed back in August but the state legislature has yet to allocate the money but must do so by June 30, that is June 30 of this year for the budget year, we are now speaking of.

Mrs. Gober stated that when the federal government allocated those dollars it was available to be spent I believe it was April of

2010 through September of 2012 so all of the funds have to be committed and spent by September of 2012, so there was the two year window on this revenue similar to what had been on the stimulus money. The fact that they had delayed and not made the revenue available to the school districts during the 2010-2011 school year was not tragic or critical as long as we all believed we had the ability to use those revenues for the entire 2011-2012 fiscal year, and the provisions that were permitted under the act would have allowed us to use that for supplanting existing payroll costs and health care benefits and so on, and so it would have been in theory a good bridge albeit not an all inclusive but it would have somewhat bridged the loss of stimulus revenue in 2011-2012 and then kind of stepped us down a little bit until we had no federal revenue through these one time allocations. The fact that they are now going to pull that back and use it to supplant state operations, separate and apart from education, is a little more concerning because that does throw us off the cliff.

Director Tenaglia asked do we have positions in the current fiscal year that were funded predicated on receiving reimbursement through the state that now may not becoming?

Mrs. Gober asked if he meant under the Edujobs proposal? We did not anticipate have any Edujobs money in 2010-2011, it was just planned for 2011-2012 and it was being planned to supplant essentially the existing wages and benefits.

Lori Stom
525 West Union Blvd
Bethlehem, PA

COURTESY OF THE
FLOOR

I am here on behalf of SPARK. I just wanted to clear up a couple of thing I heard while sitting back there that our misinformation of or lack of a better word. SPARK began in the year 1992 as a pilot program. From the spring of 1992 until the summer, so the program has been in existence for almost 19 ½ years, not 15, so we are talking about significant number of years that we have been there. The Pre-K Counts money, I just want to address that issue. The Pre-K Counts funding is specific, it is very specific, and it is very ordered as to how it has to be used. You can go and use it anyway you feel. There has to be a certain number of children in each class, there has to be a three year old program involved, that is a component of the Pre-K Counts program. There has to be specific guidelines followed, so it is sort of like Title money, you can't just use it

wherever you want to and change the program up, the day has to be five hours long, transportation is a component of it also, and parent involvement is a component. This is just to give you history on how it is used, just so you know.

If you have any questions that you need clarified, we will be happy to help you.

Steven Antalics
737 Ridge
Bethlehem, PA

I do not know whether this is pertinent for this evening discussion, but I've read three board members, one mentioned technology and 100 percent of students could go from one school to another to attend the course, which was not convenient, which the other board member said well by the time you get there the course is half over. So the question I am going to propose or rather mention the example to see whether the school district has that capability in terms of interschool while one would suggest and this is a technology program which is between universities where they use technology to have a classroom where, an example is nanotechnology is a very powerful tool and it is not well understood and not many people that can deal in it, so as a result the state of Pennsylvania has set up a program where people qualify to give the course at their specific school can use an electronic blackboard and the students in the room where that person is speaking can see it on their blackboard, but also other schools have a blackboard also and they can see what is being said at the time. They also have an audio and it works very well because then the students in the other schools, in interschool relationship, are able to ask questions. So you have a virtual classroom and this is very powerful because that could then solve the problems mentioned by Mrs. Leeson and two other directors because that could also be a tremendous savings in money because you could then offer courses, which you couldn't because you don't have the attendance, or you have people that qualify or it would take too many teachers, so also this would be a once time investment and you could schedule a whole number of courses in the method and incorporate high schools, middle schools. I would suggest it at the high school level to give esoteric questions that students want but there is no one there to teach or not enough attendance. So, whether that is pertinent to this evening's discussion because I think there will be an initial cost, but that cost will be well returned by the lack of personnel needed to

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Attest,

Stacy M. Gober
Board Secretary