

# The Board Report

*April 29, 2019*



**Disclaimer:** *The Board Report is a synopsis of the Hampton Township School Board meetings and is not intended as a replacement for any official Board minutes.*

# *~ A Tradition of Excellence ~*

## ***The Hampton Township Board of School Directors***

**Bryant Wesley II, Esq.**

**Mrs. Jill Hamlin**

**Ms. Denise Balason**

**Mrs. Pamela Lamagna**

**Mrs. Mary Alice Hennessy**

**Mrs. Gail Litwiler\***

**Mr. Robert Shages\***

**Mr. Greg Stein**

**Mr. Lawrence Vasko**

**Board President**

**Board Vice President/Personnel Chair**

**Board Secretary/Facilities Chair**

**Transportation Chair**

**Student Affairs Chair**

**Educational Programs Chair**

**Board Treasurer/Policy & Legislative Affairs Chair**

**Technology Chair**

**Finance Chair**

*\*\* Denotes members participating via teleconference call/video.*

*\*Denotes members not in attendance.*

## ***Members of Administration in Attendance***

**Dr. Michael Loughead**

**Dr. Rebecca Cunningham**

**Ms. Shari Berg**

**Dr. Ed McKaveney**

**Mr. Jeff Kline**

**Dr. Jacquelyn Removcik**

**Superintendent of Schools**

**Assistant Superintendent of Schools**

**Communications Consultant**

**Technology Director**

**Director of Administrative Services**

**Director of Curriculum, Instruction and Assessment**

# Public Comment

The Board provides the opportunity for members of the public to address the Board about issues appearing on the agenda, as well as issues affecting the District. In accordance with Policy No. 903, individuals wishing to address the Board will be asked to state their name, address and group affiliation, if applicable.

- There was no public comment.

## Committee Reports

### FINANCE

#### Curriculum Resources Budget Presentation

Dr. Removcik presented the Board with an overview of the curriculum-related items proposed for the 2019-2020 budget. The items being discussed are already included in the preliminary budget.

Elementary: Dr. Removcik explained the proposed allocations for textbooks and electronic resources. The largest increase next year is for science materials, because ASSET, the current science materials provider, will no longer be renting science materials to school districts. Dr. Removcik explained that the District will need to purchase science materials for grades 3, 4 and 5. She further highlighted an increase in the allocation for electronic resources, as a one-time charge to gain access to teaching materials.

Middle School: There is a decrease in operating costs at the Middle School from this year to next year due to the District not needing to purchase any additional materials for these programs.

High School: Roughly \$2,000 to \$3,000 is in the budget next year to purchase textbooks for the new courses that were added previously.

#### Technology Department Budget Presentation

Dr. McKaveney presented the proposed Technology budget. All items presented already are incorporated into the 2019-2020 Preliminary Budget.

Highlights include the following:

- \$122,000 is allocated for secondary items, including refurbishing some faculty and staff laptops that are being phased out for replacement due to age.
- Seniors were to receive new devices as part of the original 1:1 four-year rollout plan; however, the District has decided to make District-owned devices available for senior use instead.
- Software costs are around \$15,000 for both elementary and secondary schools. Technology supplies and services combined are just over \$36,000. Technical services costs will be at \$64,000 to accommodate the hiring of a full-time service technician.

#### Enrollment Projections/Staffing

Dr. Loughead provided an overview of enrollment projections for the 2019-2020 School Year. The enrollment projections include current students who would advance to the next grade level as well as anticipated new student enrollments.

District-wide, the overall enrollment decreases by 42 students. At the elementary level, there is a decrease in approximately 35 students from this year to next year. At the Middle School, the impact of the large fifth grade moving up is included in the projections, resulting in a gain of 60 students overall. The 8th grade class moving into the High School is projected to be at 213, which is smaller than the graduating class this year of 254.

The overall student numbers for the middle and high schools do not prompt the need for any staff additions or reductions.

The enrollment at Central Elementary has remained steadfast, but Poff's enrollment is showing a pattern of growth. Therefore, a permanent contract position which is being vacated due to a retirement at Central Elementary is being moved to Poff to accommodate the increase in enrollment.

He noted that the District is closely monitoring the enrollment at Poff in second grade, as class sizes are currently at 25. A long-term sub position is included in the budget and can be utilized if the CLASS SIZE continues to be a concern at this grade level at Poff.

Dr. Loughead said Administration is also carefully watching the proposed housing plan for Pioneer Road, which is currently in the Poff attendance area; however, Administration is considering sending any children from that plan to Central as there is more room to accommodate those students at Central Elementary School.

The only additional contract position for the 2019-2020 budget is a half-time Kindergarten teacher for Wyland. For the last several years, this position has been staffed by a long-term substitute, and the need to consistently have that classroom staffed has prompted the District to recommend making it a contract position.

### **Estimated June 30, 2019 Fund Balance**

Mr. Kline noted that the projected June 30, 2019 unassigned fund balance is \$4,860,787. This projection is \$316,205 higher than budgeted for the 2018-19 fiscal year.

The reasons for the slightly higher fund balance are as follows:

- 1) Real estate taxes - \$357,000 positive projection
- 2) Interim real estate taxes - \$150,000 positive projection
- 3) Salaries and Benefits - \$87,000 positive projection

The positive projections are offset by the following:

- 1) Delinquent Real estate - \$150,000 negative projection
- 2) Earned income taxes - \$145,000 negative projection

Mr. Kline noted that PA Section 688 requires school districts wishing to balance their budgets with a millage rate increase cannot have a projected ending unassigned fund balance greater than 8% of the subsequent year's gross budget. The District's audited June 30, 2018 unassigned fund balance was \$4,794,582 and the projected June 30, 2019 unassigned fund balance is \$4,860,787, which exceeds the 8% limitation. Mr. Kline said the majority of the surplus is addressed in the Preliminary Budget #2 with use of unassigned fund balance to balance the budget. An additional capital projects transfer will likely be recommended in May or June.

### **Preliminary Budget #2**

Mr. Vasko presented the preliminary budget #2, with expenditures estimated at \$53,388,331 and revenue projected at \$52,409,560. The budget reflects an increase in expenditures of \$1,159,372 (2.22%). The deficit will be funded by using \$576,000 from the PSERS Stabilization Fund and \$402,771 from the unassigned fund balance, leaving the millage rate at the current 18.95 mills before consideration of the High School Debt funding plan.

Mr. Vasko noted the significant financial impact the PSERS rate increases continue to have on the District. The increase from 5.64% in 2010-2011 to 34.29% in 2019-2020 added \$3,664,000 to the District's budget, or the equivalent of 2.25 mills.

Mr. Vasko said the Board is considering raising the millage rate to the Act 1 Index allowable limit of 2.3% to assist with funding a High School renovation project.

Mrs. Lamagna asked if there truly was a 62% increase in the special education budget, and Mr. Kline said that yes, the increase primarily was created due to outside placement of special education students. The state no longer funds those placements at 100%, leaving public schools to manage the costs of tuition.

Preliminary Budget #2, as presented during the meeting, is available [here](#).

Mr. Vasko indicated that the final budget will be presented to the Board in May, which will include updates from what is being presented tonight.

### **Hampton High School Project Debt Service Funding Proposal**

Dr. Loughead and Mr. Kline presented an updated version of the funding proposal that was presented earlier this month, with adjustments to the millage increase needed to cover the projected costs and a comparison chart that reflects the impact on the average homeowner in the District (pages 12 & 13).

The projected time period needed to raise the debt service funds are as follows:

- 2.59 years of projected millage phasing in for a project costing \$30 million
- 3.03 years of projected millage phasing in for a project costing \$35 million
- 3.40 years of projected millage phasing in for a project costing \$40 million
- 3.77 years of projected millage phasing in for a project costing \$45 million

Mr. Vasko asked if the Board would like to include a 0.43 millage increase in the proposed final budget dedicated specifically to the construction project. A proposed final budget needs to be approved at the May 6 meeting in order to meet state requirements. Mr. Kline said he would adjust the budget presented this evening to include that information for next week.

A copy of the presentation is available [here](#).

### **DISCUSSION FOR GENERATING ADDED REVENUE**

- Mr. Vasko asked Mr. Kline to share possible ideas for generating additional revenue. One idea on the list that Mr. Vasko had asked Mr. Kline to explore was an Athletic and Activities Fee (Pay-to-Play) program, in which families would be required to pay a fee in order to play a sport or participate in extracurricular activities in the District. Mr. Vasko said additional considerations could be made for low-income families. Several Board members said they could not consider any Pay-to Play program without significant additional information and a thorough research of the issue, which could not be completed until the next budget year.
- Another idea on the list was to implement a fee for businesses or organizations who wished to advertise on the District's website. Dr. Loughead said it would be worth exploring because when done correctly, advertising can generate a steady and reliable stream of revenue. He said this idea could be studied and implemented in future budget years.

## **Public Comment**

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- Mark Farabaugh asked if there was a limitation on how long funds could be held that were raised due to

a millage increase, and Mr. Kline said there is a limitation on bond funds, but not these kinds of funds.

- Trish Buben asked if the pay-to-play idea had been previously discussed at the Board level. Several Board members said it had not been discussed recently but has been brought up in past years. Ms. Buben indicated that a pay-to-play format would cause concern for a lot of families and Affiliated Organizations. Mr. Wesley responded that at this point, there is absolutely no commitment or decision by the Board to implement any type of pay-to-play. Any further consideration of the matter would require extensive research and review. Any information gathered by the Administration for Board consideration would not even be presented until the next budget year.

***The meeting adjourned at 8:47 p.m. Mr. Wesley announced there would be an executive session to discuss legal and personnel issues. The next regularly-scheduled meeting is 7 p.m. on Monday, May 6 in the Dr. Harold Sarver Memorial Library.***