

MINUTES  
Committee of the Whole  
June 2, 2003

The Penn Manor School Board met as a Committee of the Whole at 7:00 p.m. in the Board Room of the Manor Middle School. Present were Dr. Frerichs, Mr. C. Willis Herr, Mr. H. Thomas Herr, Mr. Kline, Mr. Kreider, Mr. Lyon, Mrs. Wert, and Mrs. Withum. Mr. Anderson was absent. Present from the administrative staff were Mr. Stewart, Mr. Skrocki, and Mrs. Griffis. Also in attendance were Millersville students, Penn Manor residents, gifted team members - Mrs. Pearson, Mr. Matusek, Mrs. Bookman, Mrs. St. John, and Mrs. Deal - for their presentation, and Mrs. Warfel, Mrs. Howard, and Mrs. Rhoades.

Mr. Willis Herr asked if there were any Citizen's Comments. Mrs. April McMullen, 16 North Prince Street, addressed the board regarding the reassignment of her daughter from Eshleman Elementary to Letort Elementary School. She stated her concerns with how the reassignment was handled and her desire to have her daughter remain at Eshleman Elementary School. Mrs. Shelby Ulmer, 52 Kendes Road, addressed the board regarding the reassignment of her daughters to Letort Elementary School and her reasons for wanting her daughters to remain at Eshleman Elementary School. She asked the board to reconsider the assignment of her daughters.

Mr. Willis Herr asked the committee whether there were any additions or corrections to the Minutes of the May 12, 2003, Committee of the Whole Meeting. Hearing none, on a motion by Mr. Lyon, a second by Mr. Kline, and a unanimous voice vote, the Minutes were approved as printed.

Mr. Stewart introduced Mrs. Trisha Pearson, Principal of Letort Elementary School. He stated that she is the person in charge of the program for gifted and talented students. Mrs. Pearson introduced the members of the gifted team - Mr. Matusek, Mrs. St. John, Mrs. Bookman, and Mrs. Deal - who were in attendance and would be providing the board with information relating to Penn Manor's gifted program. Mrs. Pearson presented board members with a brochure that provided information on gifted education. She explained that the gifted program falls under

Chapter 16 regulations that specify that the public must be made aware of services available to gifted students. The brochure presented to board members is one way of meeting this regulation. Mrs. Pearson stated that the brochure would be given to parents moving into the district, parents of students being referred for the gifted program, and Penn Manor teachers at the first faculty meeting of the year. Mrs. Pearson provided a general review of the gifted program and referral process. She reviewed the philosophy of the gifted program, its goals, and student requirements to be considered for the program. Mrs. Pearson then introduced Mr. John Matusek who summarized gifted support services at the elementary level. Mr. Matusek introduced Mrs. St. John who summarized gifted support services at the middle school level. Mrs. St. John introduced Mrs. Bookman who summarized gifted support services at the high school level. Mrs. Linda Deal then reviewed several Chapter 16 regulations citing present Penn Manor compliance and future goals relating to each regulation. Mrs. Pearson stated that Penn Manor should be commended for what is happening in their gifted program. Mrs. Pearson then introduced Mrs. Dottie Saunders who commended the board for including the gifted program in the Penn Manor Strategic Plan. Mrs. Saunders also reviewed a LAGOON "wish list." LAGOON is the local affiliate of the Pennsylvania Association for Gifted Education. Mrs. Saunders discussed Chapter 16 regulations relating to funding for the gifted program compared to funding of other local programming and the use of flexible grouping of gifted learners. Mrs. Saunders discussed how gifted students currently in the gifted program could be of help to improving education in Penn Manor. Mr. Willis Herr thanked Mrs. Pearson, Mr. Matusek, Mrs. St. John, Mrs. Bookman, and Mrs. Deal for their presentations.

Mr. Stewart discussed the use of the fund balance to balance the budget. He reviewed Senate Bill 680 and its possible impact on the school district budget. Mr. Stewart stated that he would be asking the board for direction with regard to use of the fund balance to balance the 2003/2004 budget. He turned discussion of the proposed budget over to Mr. Skrocki who reviewed the preliminary budget with a proposed tax increase of 4.36% and the use of 1.5 million dollars of the fund balance to balance the budget, which was approved in May. Mr. Skrocki reviewed major changes to the budget since that time including an increase of \$177,448 in real estate tax revenue due to Safe Harbor and Holtwood settlement, reduction in expenses of \$100,000 for real estate appraisal and legal fees relating to the Safe Harbor and Holtwood litigation, an

increase of \$28,514 in real estate tax revenue due to May interims, reduction in enrollment related aides salaries and salaries covered under Title I and Title II due to reclassification of IDEA grant money and Title I and Title II grant money, and increased revenues due to increase in state special education and state basic instructional subsidy. Mr. Skrocki said Penn Manor would receive one-time revenues of \$534,251.07 as a result of the Safe Harbor and Holtwood settlement which will be accounted for in the 2003/2004 budget. He then reviewed three possible budget scenarios for the 2003/2004 budget and reviewed 5-year budget projections relating to each scenario. 1) A 0% tax increase using 1.5 million dollars in fund balance for the 2003/2004 budget. Tax increases of 12.88% in 2004/2005, 13.83% in 2005/2006, 9.71% in 2006/2007 and 6.67% in 2007/2008 would be anticipated from this scenario. A fund balance of 12.02% would be anticipated at the end of this 5-year period in 2007/2008. 2) A 2.32% tax increase using 1 million dollars in fund balance for the 2003/2004 budget. Tax increases of 9.53% in 2004/2005, 13.56% in 2005/2006, 10.71% in 2006/2007, and 6.68% in 2007/2008 would be anticipated from this scenario. A fund balance of 12.07% would be anticipated at the end of this 5-year period in 2007/2008. 3) A 0% tax increase assuming the passage of Senate Bill 680 which states that districts with more than an 8% fund balance must have a 0% increase in 2003/2004. Tax increases of 3.75% in 2004/2005, 25.43% in 2005/2006, 7.44% in 2006/2007, and 6.44% in 2007/2008 would be anticipated from this scenario. A fund balance of 7.98% would be anticipated at the end of this 5-year period in 2007/2008. Discussion ensued regarding having a fund balance of more than the proposed cap of 8% cited in the Governor's budget. Mr. Skrocki stated that should the state budget be passed stating that districts with a fund balance of more than 8% must have a 0% increase, and the district had passed their budget with more than a 0% increase, the district could be in a position of having to reopen the budget and lower the tax increase to 0%, refund money to taxpayers who had already paid their tax bills, and reissue tax bills to those taxpayers who had not yet paid their tax bills. Discussion ensued regarding the possibility of designating a portion of fund balance monies if a tax increase is desired. Mr. Skrocki said money could be transferred to the Capital Reserve Fund but the money would then be tied up in this account and could only be used for capital improvements or maintenance projects. At this time Penn Manor is not anticipating needing funds for this purpose. Mr. Kline asked if fund balance money could be reserved for future retirement expenses. Mr. Skrocki said he is looking into that

possibility. Mr. Skrocki stated that should the state pass Senate Bill 680 districts would be forced to comply with the 0% tax increase. Mr. Stewart asked the board for direction regarding whether the administration should proceed with either a 0% or 2.32% tax increase. Mrs. Withum indicated she prefers a 0% tax increase in 2003/2004. Dr. Frerichs agreed. Mr. Willis Herr stated that it has been a difficult year economically for taxpayers and supported a 0% increase. Mrs. Wert agreed. Placement of the budget on the June Agenda for final adoption with a 0% tax increase using 1.5 million dollars of fund balance to balance the shortfall was moved by Mrs. Withum, seconded by Dr. Frerichs and approved by a unanimous voice vote.

Mr. Skrocki then updated the board with regard to the reinsurance pool. He reviewed specific premium rate information involving the provider, Madison National. He reviewed the fact that last year the board authorized a change in consortium by-laws placing the deductible at \$75,000. Penn Manor would pay claims up to \$75,000 with any claims between \$75,000 and \$150,000 being taken from the consortium pool. Mr. Skrocki stated that savings resulting from participation in the reinsurance pool are divided by the number of school districts participating and then the refund is returned to the districts. Mrs. Withum asked if the district can be hurt if there are a large number of unexpected costs. Mr. Skrocki stated that it could happen. If it did, districts would be surcharged. He stated that Penn Manor will receive approximately \$25,000-\$30,000 back this year. This money is factored into the budget. Mrs. Withum asked if the savings must be distributed to the districts every year. Mr. Skrocki said the savings are distributed every year due to the fact that the number of districts enrolled in the pool could change from year-to-year. Mrs. Wert asked how the reinsurance pool concept came about. Mr. Skrocki said he and three other business managers served on a committee that developed the concept. Mr. Skrocki said he will inform the board in October as to the actual amount of refund the district received for the 2002/2003 school year from the reinsurance pool.

Mrs. Griffis updated the board with regard to summer literacy programs. She stated that the programs meet with the Chapter IV mandate requiring remediation for students scoring below proficiency. Mrs. Griffis said there is a summer literacy program at the high school for incoming ninth grade students who are identified by their middle school teachers. Penn

Manor faculty members will teach the program. It will run at the high school for two weeks from July 28 to August 8 from 9:00 a.m. to 12:00 p.m. each day. There will be approximately 34 students participating from both middle schools. This is an increase in student participation over last year. Mrs. Griffis said the goals of this program are to give students a head start with the transition of middle school to high school, allow them to develop a positive relationship with a high school mentor, work on specific reading skills, and introduce the students to the social studies and science textbooks. Students participating in this program will have a graduation ceremony on August 8. Mrs. Griffis said the Middle School Jump Start Reading Camps are being provided for sixth grade students entering seventh grade. They will run from August 4-15 with sessions being held at both Manor Middle School and Marticville Middle School. Students participating in the program are identified by their sixth grade teachers and CSS teachers. The goals of the program are to build vocabulary, content area reading in social studies and science textbooks, a tour of the building, work in the computer labs and libraries, and building relationships with teachers. Mrs. Griffis said the elementary Jump Start Reading Camps are being provided for incoming third and fourth grade students from all seven elementary schools. The camps will be held at Conestoga Elementary School from August 4-15 from 9:00 a.m. to 12:00 p.m. Reading and comprehension skills will be worked on. Mrs. Griffis invited board members to visit the summer literacy programs.

Mr. Skrocki reviewed the Capital Reserve Fund Budget. He provided a third draft of the 2003/2004 Long Range Maintenance Plan that is funded from the Capital Reserve Fund. The total estimated cost of priority 1 items listed in this plan is \$103,500. This is the amount that will be cited as the budget for the Capital Reserve Fund for 2003/2004. Items cited in the 2003/2004 Long Range Maintenance Plan are the repairing of blacktop on the main exit driveway at Conestoga Elementary, repair of the terrazzo in the main lobby and corridor at Manor Middle School, repair of the terrazzo in the art wing corridor at the high school, exhaust hood modifications in room 344 at the high school, replacement of carpet in the office at Hambright Elementary, replacement of carpet in the library at Hambright Elementary, repair of the brick exterior auditorium walls at the high school, and a phone system upgrade at Conestoga Elementary. Mr. Skrocki asked for approval for placement of the Capital Reserve Fund Budget on the June School Board Meeting Agenda. Approval was granted

on a motion by Dr. Frerichs, a second by Mr. Kline, and a unanimous voice vote.

Mr. Stewart informed board members that he was requesting approval of an amendment to Penn Manor's Act 80 Exception request that will cite June 9 as an Act 80 day for 12<sup>th</sup> grade teachers. He reminded board members of the previous request for an adjustment that was made so that seniors could graduate on June 6. Mr. Stewart then reviewed the scenario relating to the state's rejection of that request. He asked the board to grant approval for placement of the amended Act 80 Exception on the June School Board Meeting Agenda that allows seniors to graduate on June 6 with the teachers doing curriculum planning and development on June 9. Approval was granted for placement of this item on the June School Board Meeting Agenda on a motion by Dr. Frerichs, a second by Mr. Lyon, and a unanimous voice vote.

Mr. Stewart reminded those in attendance that graduation would take place on Friday, June 6 and that the graduation would be web cast. Mr. Stewart stated that two veterans would be granted a diploma as a result of a recent law that was passed allowing schools to present diplomas to individuals who were unable to graduate due to service in the military. Mr. Robert E. Saunders, a Korean War veteran, will be present to receive his diploma. Mr. Lewis Clair Miller, a World War II veteran, while unable to attend the ceremony due to illness, will also receive a diploma. Mr. Stewart said the prom and post prom went extremely well. He informed those in attendance that Mr. "Ted" Sattler, the Mayor of Millersville, passed away. He presented board members with key chains that were given to them by the gifted students.

The Committee of the Whole adjourned to Executive Session at 8:44 p.m. on a motion by Mr. Lyon, a second by Mr. Kreider, and a unanimous voice vote.