

UNIONVILLE-CHADDS FORD SCHOOL DISTRICT
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**SCHOOL BOARD
BUDGET MEETING**

**Minutes
May 1, 2006**

The budget meeting of the Unionville-Chadds Ford School Board was held on Monday, May 1, 2006 in the Unionville High School Large Group Instruction room. Mr. Murray called the meeting to order at 7:10 p.m.

The following members were present: R. Bruce Swayze, Vice-President, Kathleen Brown, Karen Halstead, Ed Murray, Dr. Corinne Sweeney, Timotha Trigg, Edward Wandersee, and Dr. Therese West. Also present were Dr. John Kenney, District Superintendent, Dr. Brenda O'Hern, Clif Beaver, Robert Cochran, Dominick Guiseppe, Rich Hug, Rick Hostetler, Thomas Marinelli, John Nolen, Maria Schwab, Jim Fulginiti, Bruce Vosburgh, Gail Wolfel, community residents, members of the press, and Denise Miller, recording secretary.

Mr. Murray stated that there would be an update by the administration on budget changes that were incorporated for May 1st. Following Dr. Kenney's comments, the Board will move out to the audience seating for Mr. Cochran's presentation regarding items that have been cut, changed, and increased, as well as comments regarding the current state of legislation in Harrisburg.

Dr. Kenney stated that Mr. Baker was unable to be her due to work obligations that came up very suddenly. He provided an outline of what would be heard this evening.

As soon as the fiscal year is under way, the administration starts to develop the budget for next year, looking at expenditures and revenue flow projections. You will see iterations of the budget that were submitted to the Board on April 10th this evening.

One of our plans when developing a budget is to speak with everyone on the ground, they speak with their supervisors, and we develop the budget. On April 10th, we showed the Board what had been requested and indicated the kind of cuts (\$935,866) that evening. At that point we had some input from the Board, cuts of \$461,916 and enhanced revenue projections of \$250,000.

**CALL TO
ORDER**

**MEMBERS
PRESENT**

**COMMENTS
FROM
MR. MURRAY**

**COMMENTS
FROM
DR. KENNEY**

We will continue to monitor additional information we are awaiting that will enable us to adjust the budget downward, hopefully (e.g., resignations, retirements, actual insurance premium costs, state revenue, and staffing needs). We will talk about Special Session House Bill 39 as it will affect this budget. It would mandate back-end referendum. There are exceptions that would allow us to exceed the index.

We will then open the floor to the public for comments, entertain Board discussion and look for direction from the Board.

Mr. Cochran stated that the budget process begins in July. He commented regarding a late U.S. Senator who wrote about his responsibility in various posts in the U.S. Senate and joint committees and quoted:

“Here in these posts, the mechanical act of casting a yea or a nay vote is the least part of the work to be done. The greater part is the act of educating oneself about the play of forces which call for a yea or a nay decision; of sifting, defining, and choosing between alternative policies; and of explaining why this instead of that policy commends itself to one’s reason.”

This was stated by Senator John F. Kennedy in January, 1960. Mr. Cochran sees this as his responsibility in the completion of this budget. At any time they are working on three different budgets (prior year, current, and proposed).

April 10, 2006 Beginning Budget

Mr. Cochran stated that the beginning budget included all requests that had been received. The operating deficit was based on conservative measures. Additional cuts and revenue changes were made for this evening’s Budget Hearing meeting. Mr. Cochran reviewed the April 10, 2006 Beginning Budget:

Total Revenues	\$60,809,375	10.87%
Total Expenditures	62,414,722	10.58%
Operating Deficit	(1,605,347)	
Beginning Fund Balance	<u>4,601,253</u>	Est.
Ending Fund Balance	<u>\$ 2,995,906</u>	4.80%

**COMMENTS
FROM
MR. COCHRAN,
DIRECTOR OF
BUSINESS &
OPERATIONS**

**April 10, 2006
Beginning
Budget**

He discussed the proposed millage results and stated that this budget included all requests for additional staff and considerations but did not include considerations for any renovations:

<u>Current Millage</u>	
▪ Chester Co.	19.72
▪ Delaware Co.	18.16
<u>Proposed Millage</u>	
▪ Chester Co.	21.22
▪ Delaware Co.	19.48
<u>Percentage Increases</u>	
▪ Chester Co.	7.61%
▪ Delaware Co.	7.27%

Mr. Cochran reviewed the historical chart of millage changes from 2001-02 through 2006-07.

The following cuts were recommended by the administration:

Central Salaries	\$113,867
New Line Items	20,838
Buildings and Grounds	20,000
Transportation	31,643
Curriculum & Instruction	125,900
Technology	42,000
Special Education	121,640
Debt Service	235,000
Administration	<u>40,000</u>
Total Cuts	750,888

Target Fund Balance from 4.8% to 4.5%	<u>184,978</u>
Total Reductions	<u>\$935,866</u>

In this first pass at making cuts to that budget, each department found areas where they could cut back in their respective budget. The millage results of the administration cuts are as follows:

<u>Current Millage</u>	
▪ Chester Co.	19.72
▪ Delaware Co.	18.16
<u>Proposed Millage</u>	
▪ Chester Co.	20.78
▪ Delaware Co.	19.07
<u>Percentage Increases</u>	
▪ Chester Co.	5.38%
▪ Delaware Co.	5.01%

**COMMENTS
 FROM
 MR. COCHRAN
 (Continued)**

**Proposed
 Millage Results**

**Cuts from
 Administration**

**Current &
 Proposed
 Millage**

He reviewed the May 1, 2006 revised preliminary budget:

May 1, 2006 Revised Preliminary Budget

Total Revenues	\$59,349,732	8.21%
Total Expenditures	61,197,116	8.42%
Operating Deficit	(1,847,384)	
Beginning Fund Balance	<u>4,601,253</u>	Est.
Ending Fund Balance	<u>\$ 2,753,869</u>	4.50%

He reviewed the results of the administrative cuts:

Millage Results of Administration Cuts

<u>Current Millage</u>	
▪ Chester Co.	19.72
▪ Delaware Co.	18.16
<u>Proposed Millage</u>	
▪ Chester Co.	20.45
▪ Delaware Co.	18.77
<u>Percentage Increases</u>	
▪ Chester Co.	3.70%
▪ Delaware Co.	3.36%

Mr. Cochran reviewed the millage history from 2000-01 through 2006-07 (proposed 5/1). He commented that there was no additional debt put into this for renovations.

The Board asked that architects study facilities needs and give us an honest assessment. Mr. Hostetler and the Facilities Committee wanted them to look at it independently. Their report is available on our website (63 pages). They provided four options and a fifth option 4A, ranging from \$5 million-\$52 million for the high school; \$3.8 million-\$5 million for fields; and \$21 million for the middle school. There would also be work needed for Hillendale and Pocopson Elementary schools. The real problems were at the high school/middle school/fields that would have program impact.

We requested financing options from PFM (Public Financial Management) and they prepared them for \$10 million to get started and borrow in January, 2007. There is also a \$40 million option, and looking in the out years to 2010, borrowing again for the middle school and Hillendale or both. The PFM financing alternatives were \$70 million and \$90 million over four years with a budget impact of additional aggregate of 1.55 mils to 2.01 mils over five years (phased in with even steps over five years).

**COMMENTS
 FROM
 MR. COCHRAN
 (Continued)**

**May 1 Revised
 Preliminary
 Budget**

**Millage Results
 of Admin. Cuts**

**Debt for
 Facilities**

Mr. Cochran reviewed a chart that indicated the impact of borrowing from 2006-07 through 2010-11:

Five-Year Impact of Borrowing

- Many options available to structure new debt to finance renovations
- “Plan the Budget” or “Budget the Plan”
- Phase-in borrowing up to \$90 million over five years
 - Less than 2.0% annual additional millage impact

He reviewed charts that showed the structure of the debt service in two ways: .40 mils per year over five years and as needed over five years. The “as needed” structure indicated spikes in excess of 6%, particularly in 2007-08, 2008-09 and 2010-11 versus a more level rate in the “.40 mils per year” approach.

Mr. Cochran reviewed a chart that indicated the millage with new debt service for Chester and Delaware counties. The results with new debt would be:

Millage Results with New Debt

<u>Current Millage</u>	
▪ Chester Co.	19.72
▪ Delaware Co.	18.16
<u>Proposed Millage</u>	
▪ Chester Co.	20.84
▪ Delaware Co.	19.13
<u>Percentage Increases</u>	
▪ Chester Co.	5.68%
▪ Delaware Co.	5.34%

He reviewed other items that could change:

- Staffing Levels
- Retirements and/or Resignations
- Health Insurance (Vision)
 - We are awaiting clarification from Blue Cross on whether vision rates were rolled into medical rates or not.
- Estimates for Other Local Revenues
 - Figures could change (interim tax)
- General Liability & Property/Casualty Insurance
 - We are meeting with our broker; there may or may not be significant increase or decrease

(Continued)

**COMMENTS
FROM
MR. COCHRAN
(Continued)**

**Five-Year
Impact of
Borrowing**

**Millage Results
with New Debt**

**Other Possible
Changes**

Other Items that Could Change (Cont'd.)

- Special Session House Bill 39
 - They have not been able to reach an agreement until today; under the proposal, all school districts would be subject to the index (currently 3.9%). Our millage could not increase more than that plus any of our exceptions We qualify for four of the possible 10 exceptions:
 - ✓ PSERS cost increases above the index
 - ✓ Special education cost increases above the index
 - ✓ Health insurance cost increases above the index for CBA's in effect prior to 1/1/2006
 - ✓ Debt service increases for debt issues prior to effective date of SSHB 39
 - Back-end referendum for millage increases above the index and exceptions for 2007-08 and beyond

Mr. Cochran showed a chart to indicate values of the qualifying exceptions:

Approximate Value of UCFSD Exceptions for 2006-07

▪ PSERS cost increase above the index	\$ 298,873
▪ Special education cost increase above the index	448,290
▪ CBA (Collective Bargaining Agreement) Health insurance cost increase above the index	260,608
▪ Debt service incurred prior to SSHB 39	<u>324,769</u>
Total value of UCFSD exceptions	<u>\$1,332,540</u>
▪ Approximate UCFSD millage increase cap	6.9%

He stated that we would need to put an item on the spring Primary Election ballot (effective 2007-08) if our increases exceeded the index plus the exceptions to which we are entitled. Dr. Kenney commented that we would have to go to the court this year if we exceeded the index plus exceptions. Mr. Cochran reviewed the following considerations:

Other SSHB 39 Considerations

- School districts in multiple counties
 - ✓ Act 72 dealt with by PDE Regulations as opposed to legislative action
 - ✓ Effect of Act 72 methodology was weighted average increase could not exceed index

COMMENTS FROM MR. COCHRAN (Continued)

Special Sesion House Bill 39

U-CFSD Exceptions

Other SSHB 39 Considerations (Cont'd.)

- Future exceptions allowable for UCFSD
 - ✓ PSERS cost increases level off after 2007-08 based on state projections
 - ✓ CBA expires June 30, 2008, therefore, health insurance exception no longer applicable after 2007-08
 - ✓ 2006-07 is last year of significant increases for existing debt service

Mr. Cochran reviewed the budget adoption schedule:

- Additional Budget Hearings (if needed)
 - Tuesday, May 2 at 7:00 p.m. in UHS LGI Room
 - Wednesday, May 3 at 7:00 p.m. in UHS LGI Room
- Adopt Preliminary Budget
 - Monday, May 8 at 7:00 p.m. at Board Work Session in Administration Office Large Conference Room
- Approve Final Budget
 - Monday, June 19 at 7:30 p.m. at Board Regular meeting in UHS LGI Room

He stated that the preliminary budget was not final and could be adjusted. The millage could increase or decrease based on actual information that is obtained. Mr. Cochran also stated that taxes would not be levied until the final adoption on June 19, 2006.

Public Comments

Bernie Langer, West Marlborough Township resident, commented that he has lived here for 35 years and had two children go through U-CF. He and his wife are approaching 70 years of age and receive about \$33,000 before taxes, including Social Security payments. The school taxes in this district would take approximately 12% of their income. He stated that if they had to exist on Social Security alone, the school district would take over one-third of their income. Basically, their money is bonus money since they have no children attending school. He suggested that outsourcing some things would undoubtedly save us some money (i.e. buses and the \$1 million building over there).

It is the quality of the education that is important, not fancy things. He asked why the Board kept raising taxes and stated that they are out of sight. He commented about a 92 year-old neighbor who received \$583 per month in Social Security payments and survives because her children pay part of her living expenses. He asked that the Board consider these people who do not want to leave the area but are being forced out by these very high tax rates.

**COMMENTS
FROM
MR. COCHRAN
(Continued)**

**Budget
Adoption
Schedule**

**PUBLIC
COMMENTS**

Keith Knauss, East Marlborough Township resident, commented regarding the following items:

1. The budgeting process could stand improvement (above-inflation spending plans)
2. Real estate tax increases (such as the average \$400 increase per year that was proposed at the last meeting)
3. Spending doesn't necessarily translate into better education. He cited per pupil expenditures of \$14,000 (U-CFSD), \$11,000 (Central Bucks), and \$21,000 (Lower Merion) per year.
4. The budgeting process starts with a wish list with a 10% increase if building plans were included. The Board then goes through the cutting process. This would not be accomplished this way in the business world.

Bruce Yelton, Pocopson Township resident, commented that the Board's goal to hold tax increases to 3-4% per year is unacceptable. A better target would be to hold the cost to educate students to 3-4% per year. He also stated that we do not need any new staff and asked whether we had looked at cutting existing staff. In response to his question regarding whether the \$40 million expansion of the high school included the District Office, Dr. Kenney stated that if Option 4 or 4A were chosen, they include \$2 million for the District Office.

Sam Nakasian, Birmingham Township resident, extended his thanks for the presentation and stated that it was a lot to digest. He has been here for three years and was struck by the beauty of the schools. He really thinks we have a lot here to work with before going out to new projects.

Mr. Nakasian feels that we do need to do something for the fields and suggested that we find a way to get the community involved in helping. He understands that the district doesn't want to give control away but asked that we involve them in helping to push this.

In reference to the excellent comments about the tax burden, he is younger but it is probably the single largest check that he writes. He suggested discussion to see how we could do this in a more rational manner.

Keith Clabur, Chadds Ford Township resident, asked about the debt level and future increases. He wondered whether they would see a significant increase next year if we increase our borrowing and inquired as to whether this was before any other inflationary increases. Mr. Murray responded that it does not include any increases in the cost of building increases per year; the number is as of today. Dr. Kenney stated that two options were given – level funding (4% over 5 years) or borrowing as needed where there would be spikes in some years. He would have preferred to save for the expenses (e.g. retirement rate increase may spike 228% in one year). Dr. Kenney prefers to manage those increases over time to avoid the huge

spikes. We've had many discussions with this Board and past Boards. If we could manage it and level fund it, we would like to do that (i.e. self-funded fringe benefits). Mr. Clabur shares Dr. Kenney's views.

Mr. Clabur asked whether the Board had prioritized funding for renovations between the buildings and the fields. Dr. Kenney stated that when we renovate the high school/middle school, we would do the entire high school and all venues used by our teams. If we are going to do the high school, let's do the entire thing, including all venues used by our Physical Education Department. We need to address our fields also.

Mr. Murray commented that the Board was looking forward to that debate in the future. The high school and its programs came first in the Facilities Plan. How the fields change the footprint will be up for debate over the next 1 to 1-1/2 years. It is very difficult to take on anything more than that. It is a lot of upheaval and a mammoth job. We will not even get into that building until 2010-11.

Keith Knauss, East Marlborough Township resident, commented about Mr. Cochran's slide regarding the saw index history (Act 72 calculation and history). He stated that the index only applied to the millage increase and not to the revenue increase or the spending increase.

Mr. Cochran stated that the revised figures for the 5.68% (Chester Co.) and 5.34% (Delaware County) would be 8.2% (revenue) and 9.87% (expenditures) with the millage for the debt service.

Dr. Kenney commented regarding the new world that Special Session House Bill 39 would create. How do you approach the budget in future years? In the out years, it is going to be much more difficult. This is a tactical discussion with the Board of how you handle what you need to borrow with the District Office building, etc.

Paul Price, Chadds Ford Township resident, commented regarding the large range from \$5 million to \$52 million. Dr. Kenney stated that the entire Facilities Study presentation is posted on the district's website. Mrs. Brown commented that we had not even chosen an architect at this point. We are talking about borrowing \$10 million to have an architect tell us what this plan would be. We know it will probably cost at least that much to do what we want to do at the high school. At this time, we don't know what the actual cost of building would be.

Mr. Price stated that tax would double if we kept spending. We need to triage this as you would your family and see what would be needed. It is getting worse rather than better and there is not a history of restraint. Dr. Kenney stated that he doesn't think it has gotten worse over the last three to four years.

**Public
Comments
(Continued)**

Mr. Wandersee reviewed tax millage increases in recent years (Chester County):

2001-02 -	10.76%
2002-03 -	8.4%
2003-04 -	3.43%
2004-05 -	2.46%
2005-06 -	2.98%

He commented that we have reduced it and stated that some of them are very proud of this.

Dr. Kenney stated that the two higher years were due to the renovations of Unionville, Chadds Ford and Pocopson Elementary schools. No one planned ahead for those costs and that is one of the reasons you saw large increases in some years. You could decide to wait and not do the renovations but when it's time, it will cost more.

Mr. Knauss commented that there is quite a difference between the millage increases which are low and the spending increases that are not very favorable (6-7% range).

Mr. Murray requested comments from Board members.

Mr. Murray stated that with the establishment of Act 39, he came up with almost the same thinking dollar for dollar. We are incurring additional expenditures in relation to fuels, utility costs, and PSERS costs (non-educational expenditures). In response to the question as to why the Board doesn't control spending, he stated that if the CPI only went up 3.9%, the exceptions tell us we are spending more than that. If we looked at the increase year over year in what is our health care, special education, and PSERS costs, it would amount to about \$2-1/2 million. These are costs that we do not control.

Mr. Cochran reviewed the expenditures worksheet for 2006-07 and noted the following:

- Transportation – decrease of 8.45%
- Buildings & Grounds – increased 1.89%
- Building Allocations – increased 6.63%
- Technology – increased 35.2% (equipment is getting old)
- Pupil Services – increased 3.22% (homebound instruction, etc. – no control over it)
- Benefits – 14.8% increase (represents a 21% increase in health care premiums, offset by self-funding savings)
- Debt Service – that picture uses \$435,000 of savings garnered in this year which we will not have next year

(Continued)

**Public
Comments
(Continued)**

**Expenditures –
2006-07**

- Fuels & Utilities – 6% increase in total (last year, we used a much higher electricity estimate projected by our energy management group; we are \$110,000 lower than our estimate, which gave us savings
- Occupational Education – Due to the Pocopson Juvenile Detention Facility
- Insurance – Still not finalized; represents \$269,000 out of \$61 million budget – not a significant impact

He stated that a lot of these areas are out of our control or where we have very little control. Mr. Cochran also reviewed salary and benefit increases.

Mrs. Brown asked about removing new positions that represented \$543,000 of the total. Mr. Cochran stated that 4.98% was built into this budget (average of the matrix). In response to Mrs. Brown's question, Mr. Cochran responded that it would be 6.01% with the new positions, of which \$140,000 would be for benefit costs.

Mrs. Brown stated that the press is saying we are hiring 17 new teachers. She would like to hear what it is that we are talking about hiring and what choices we have in addressing these choices. Mr. Cochran stated that in the cuts to get to 3.7%, there were three additional positions for elementary regular education and .4 position for health/physical education. There were no positions at the middle school level. There were a number of partial positions at the high school level (i.e. .4 social studies, .4 physics, .4 gifted, .4 math, .4 remedial math) and a full-time reading specialist. There is also an increase in an ESL position and .4 Speech and Language. The total is 7.6 professional positions and two reserve positions.

Mr. Cochran also reviewed support staff positions for:

- 1 IST Paraprofessional for five hours/day – Middle School
- Custodian for additional modular classrooms and new rooms – High School

This represents a net of two support people being added. Support staff in the Technology Department would also be reclassified, based on needs in the buildings and summertime demands on people for lab maintenance.

In response to Mr. Murray's question, Dr. Kenney stated that for English as a Second Language (ESL), we have an obligation to provide these services. There are also state mandates for class loads in Speech and Language. This is the same for other areas such as Gifted, Instructional Support Team (IST). The purpose of IST is to reduce the numbers in special education classes and may reduce those placements.

**Expenditures –
2006-07
(Continued)**

At the high school, we have an obligation under No Child Left Behind to make sure that all students are proficient in reading and math by 2014. We have 14% in reading and 22% in math who are not proficient. They will have to take an additional reading or math class if not proficient. Hopefully, we will reduce the numbers over time. Students will have to be proficient on either the PSSA's or on district tests that are aligned with the PSSA's. We are still one of the best in scoring in Pennsylvania but we still have students who are not proficient.

Paul Price stated that salaries and benefits had gone up the most in the last five years. We have to try to cut there. Everything else is irrelevant. Mrs. Brown stated that we did cut the benefit levels. Mr. Murray commented that this is a wonderful debate for the budget session and we have it every year. If we have 21% increases every year on medical benefits and we renegotiate higher co-pays, we still go backwards. There is only so much the Board can control once the contract is in place. Unfortunately, we still cannot drive Blue Cross costs.

Sam Nakasian suggested going to other companies like industry is doing. Mr. Murray stated that it was a big question that we will have to address. Mrs. Brown stated that the Board has been addressing this issue.

Keith Knauss stated that there are only two levers. The 9.6 professional staff members look like they are needed but we forget to look at the other 500 employees who are over there. The other item is the number of employees that we hire.

Mr. Wandersee stated that everyone had made a lot of intelligent comments that are right on the mark. However, the Board and the administration have been looking at these for many years. In many areas (PSER's, special education, etc.), we have no control. The point is that we have looked at these issues. Many fellow Board members are very concerned with Act 39 tax relief. We need a true tax relief to get the taxes off the backs of the taxpayers in all of the townships and school districts but also need to manage the day-to-day activities. The question is what are we going to add and what are we going to take away?

We could take a look at the technology and personnel requests but that is about all we have to look at. The only thing that will change that is true property tax reform. With 6% as an actual expenditure figure, that is pretty close to what it's going to take to fund teacher benefits and salaries.

**Public
Comments
(Continued)**

**BOARD
COMMENTS**

The bone he has to pick is about a master plan. We don't have one at this point. We know the high school needs work and the fields need work but what we need to do really is to figure out what we plan to do and we will have a better feel for what it is going to cost. We have a facilities study and we need to take a look at what is in it and also look at options for the Central Office. He has asked for four years if it's cheaper to build, lease, rent, etc. and has not gotten a response. We need to have things done and we will start Thursday with the architects and then hopefully, we can prioritize and plan ahead. He does not support \$90 million up front. There would have to be some expectation of what is needed for his support on the budget.

Mr. Wandersee commented that he had been through three construction projects here and stated that we have been sued on each one. These expenses we don't see up front. There is a lot of planning that goes on with this. He is not personally concerned with the job that Dr. Kenney, Mr. Cochran and the administration have done – we are all proud of them. We would like to look at construction regarding what we need to do. He is seeing about \$90 million for debt service brought in there.

Mrs. Halstead commented regarding these areas:

- New Physics Teacher – Last fall when we hired the new math teacher who is out on maternity, they said she could teach physics. Mr. Marinelli stated that she has a New York license to teach physics but she has a full load in math. Mrs. Halstead stated that physics teachers are hard to come by.
- Office Staff – The four elementary schools have two office staff employees at each school. She questioned the need at Chadds Ford and Hillendale where there are lower enrollments and proposed eliminating one staff person at Chadds Ford and making the Hillendale position part-time. They do not warrant full-time staff with the numbers in those schools.
- IST Secretary at the Middle School – She doesn't know if the IST teacher is full-time. Mr. Marinelli stated that it is also the Reading Specialist who needs some clerical support. It was made to be a five-hour position (182 days) without benefits. Mrs. Halstead feels that four hours would be plenty and is thinking about rescheduling some of the reading with the gifted support teachers.
- Detention Money in all of the Schools – At the elementary buildings, she really has a problem with it. She doesn't think they need to be detained after school, especially if it's a three-homework situation, and would like to see it lowered for each elementary building.

(Continued)

**BOARD
COMMENTS
(Continued)**

- Shift from Chadds Ford to Pocopson Paraprofessional – The need for the paraprofessional seems to be recess coverage. She asked whether all of the library aides were going out for recess and commented that there should be equitable thinking across the schools. She is not certain that the paraprofessional is not needed all day but from 11:30 to 1:30, there is no question about that.
- Caseload of Special Education at Chadds Ford – This year, we added a half-time position but next year, the caseload could warrant one teacher, not two. She would like that to be investigated.
- Energy Management – Position filled by a Unionville High School employee that had been previously filled by a Chadds Ford employee. She referenced the numbers at Chadds Ford since there is a full-time technology person there. She mentioned that she, too, is a taxpayer who is widowed and living on a fixed income.
- Football Insurance - \$10,000/year, maybe the students could pay a larger portion of that cost.
- Administration – Two Peer Coaches and Staff Development person; She would like to see that go into one position of staff development and perhaps have Mr. Marinelli be more involved with the people after they are hired. One of these people is so good that he needs to go back to the high school and teach Biology.
- Third Grade Teacher at Chadds Ford – She totally supports it but if the numbers drop, then there shouldn't be another position at Chadds Ford, but right now those numbers are ridiculous.

Mr. Swayze commented regarding the following areas:

- Long-Range Facilities Plan – The idea was to conduct interviews and find out what everybody could possibly want (perceived needs). \$70 million to \$90 million are scary numbers and some of the items in those amounts are not close to being realistic. Hopefully, they will settle down to one-half to two-thirds of that.
- Teaching Staff – Several years ago, the Board brought a Reading Specialist into the middle school, where the position was most needed. Mr. Swayze questions the need to have a Reading Specialist brought into the high school. Hopefully, the middle school person will continue to catch most of those kids who fall through the cracks. He commented regarding facilities to house that person since we are already maxed out and would like to see this position backed out.
- Janitorial Person – Could we live with the situation and make the most of it?

**BOARD
COMMENTS
(Continued)**

Mrs. Trigg commented regarding the reduction of \$42,000 in the recent past for technology spending and the addition to the budget of \$400,000 of technology equipment. She asked why we were looking at this bigger additional increase and what would be the implication for next year.

Mr. Cochran stated that the Central Salaries figures were charged to two different areas. The 2220 control point represents people in the buildings who are providing support to the instructional staff. The 2818 control point represents Mr. Hug and his staff who provide the technology infrastructure.

Mr. Hug commented that the bulk of increases were for equipment. Unionville-Chadds Ford works on a five-year cycle, which is very common. We have become very good at extending the life of equipment beyond five years but that practice is beginning to tell and show at the schools. We're trying to get back into a five-year cycle. The technology budget has been held at \$500,000 or less for the last six years.

In response to Mr. Wandersee's question, Mr. Hug stated that five years was the suggested break point for equipment. It is, however, becoming four years in some districts and three years for labs. We are nowhere near that life cycle.

In response to Mrs. Trigg's question regarding what would be requested in future years, Mr. Hug commented that he had not programmed it all out but would like to have the same amount for next year.

In response to Mr. Swayze's question regarding why maintenance contract costs were anticipated to increase so much, Mr. Hug indicated the number of programs we have had to support, for example:

- The nurse's program to track BMI, which is now a state and federal requirement)
- IEP generator – required for special education
- Telephone Systems – Contracts for those as well (shared with Maintenance)

In response to Mrs. Trigg's question regarding whether the Board was being asked to approve new, additional technology salaries in here, Mr. Hug stated that there was a request to make his clerical support a 260-day employee. She provides many services in the District Office that are outside of technology. The three district-level technology employees would be increased to full-year employees as well. They will have to split their days out over the next month so he will have coverage through June 9th (they're already out of time for those folks).

**BOARD
COMMENTS
(Continued)**

Dr. Sweeney stated that increased technological advances in business usually brought some savings in staffing. She inquired as to whether we were seeing any improvement in staff savings. Mr. Hug stated that requests have gone up and commented that this was a tough one. On the support side, we do employ a lot of technology to remotely support computer stations and other equipment around the district. It is a big ball of technology that just gets bigger and bigger. Technology equipment was purchased for \$150,000 outside of their budget but they have to support and replace all of it (PTO's, Education Foundation, etc.). Teachers are also becoming more sophisticated in their use of technology.

Dr. Sweeney inquired as to whether we were seeing savings where someone had to do a mimeo years ago and now a teacher could send an e-mail. Mr. Hug responded that we were seeing that where hand counts of attendance were done previously. Mrs. Halstead stated that some of the school newsletters were being distributed by e-mail.

Mrs. Trigg commented that she was taken aback that our actual spending has been about 50% higher than what was budgeted last year. She was kind of surprised to hear this without having gotten advance notice.

Dr. West stated that there had been a lot of suggestions through the process tonight. She inquired as to what the next step would be in dealing with these issues and suggestions and whether they would get some information about them. Dr. Kenney asked whether she was interested in the Board making a decision to eliminate items or in understanding the impact of them. Mr. Wandersee commented that they would like to see a recommendation from the administration if they feel there is value in them. Mr. Swayze stated that part of this states what the impact is in not granting a request. Part of it is we need to consider whether we'll suffer much if we don't hire this person next year?).

Mr. Murray stated that Monday, Tuesday, and Wednesday evenings had been allotted for this process. He prefers to take tomorrow off so the administration could gather and talk with the building administration, returning on Wednesday evening. Mr. Wandersee commented that there is also the issue of Special Session House Bill 39 out there. Mr. Murray commented that he was aware that we could exceed the index this year but enough Board members have made it clear they want to see cuts regardless of Act 39.

Mrs. Halstead stated that they did have so many things to consider. She echoed Mr. Swayze's concern regarding the high school reading teacher. We had a reading teacher in the high school and that did not pan out so well. She then heard that the reading teacher in the high school would help the other subject teachers to become reading teachers.

Mrs. Halstead commented that we have needs to help our children learn to read but we have some of the programs that are going to be set up in the library classroom they could use, along with the help that we already have, to address that need. She is not so sure that a reading teacher is so valid for this year. If everyone in the elementary schools and the middle school is doing a good job, we should not have the need. It does hurt her if children cannot read. Mrs. Trigg echoed her thoughts. Mr. Swayze stated that it should have happened at the middle school level.

Dr. Kenney commented about the numbers of non-proficient students at the high school level being higher than at the middle school level. If we wait until 11th grade, it would be too late. They are also looking at the teacher recommendation to continue support so they would be successful and have a reading plan in place. Mrs. Halstead commented that she understood that but thought a lot of it would be technology driven at the high school level.

Dr. Kenney reviewed the suggestions made by Board members for cuts:

- Secretaries – 1 @ Chadds Ford; 1 part-time at Hillendale
- 1 IST Secretary – 4 hours instead of 5 hours per day
- Detention - \$200 per elementary school
- Paraprofessional – Move one to Pocopson Elementary (is coverage equitable?)
- Caseload – Chadds Ford Special Education
- Energy Manager – Chadds Ford position was not part of technology position at Chadds Ford last year
- Football Insurance – This is not just for football but for all activities and the secondary insurance. It cannot be separated out and includes all sports, band, and cheerleading.
- Administrators - 2 Peer Coaches and 1 Staff Development Coordinator; Mrs. Halstead commented that the Peer Coaches were supposed to have been on for two years when they originated and she feels it should rotate among people and we don't need three people.
- Personnel Director – Dump something onto him; Dr. Kenney commented that he could not do any more and was already doing Pupil Services now.
- Third Grade – Chadds Ford
- Facilities - \$70 million to \$90 million cost is scary
- Reading Specialist at high school level
- Custodial Staff – Add position?
- Teachers - .2, .4, and .5 positions – Do we have space (modulars)?

**BOARD
COMMENTS
(Continued)**

**Review -
Suggested Cuts**

**BOARD
COMMENTS
(Continued)**

Mrs. Brown stated that she would like the administration to look at some different ways to provide the same services. Every year, we bump up the budget. It doesn't seem to necessarily reflect whether that money was spent there or not. She stated that she doesn't know if the most effective way to deal with our teachers is mentoring. Taking teachers out of class and getting someone to cover the time they are not in the classroom and pay benefits and a substitute. She's not sure if that is the best use of funds.

She inquired as to whether we could look at it in a different way (i.e. not doing so many conferences, not traveling out of the tri-state area for them, combining functions). Mrs. Brown commented that when she paged through the budget to take money from here and there she could find it but she doesn't know if it's right to take it. She'd like to see the administrators look at it for her and try a different approach. Our taxpayers cannot afford it. No one called her after the article (Mr. Knauss's) in The Kennett Paper. She'd like to see some creativity and stated she sees the same line items from year to year. We need teachers in the classrooms because that is where the rubber hits the road.

Dr. Kenney stated that they constantly look at other ways to finance things: Changes with induction, acculturating our teachers through the mentoring system to understand how we do things in our school district (We spend a lot of time with those young people); ACCESS funds, self-funding of benefits, block grant funds that we use in the summer for special needs children (You have not seen any presentations this year on their part for legal status); the E-rate system (trying to provide additional resources for technology). We have been very successful with educating our staff; we don't like the travel unless they're attending major conferences where individuals come from all over the world. We want them to be experts in their field and we become a better district because of it. We could say there is so much funding available for conferences and when it's gone, that is it. We are not a stagnant organization though.

Mrs. Brown commented regarding the amount of building we have had in this area and inquired as to how much additional revenue we receive for it. Mr. Cochran commented that we get \$1.25 million to \$1.5 million in additional revenue with the growth that is going on with no change in the millage impact. It is in this budget. Mrs. Brown commented that when we say the percentage is going up a certain amount, we are already building in that amount, so it is considerably higher.

Mr. Cochran stated that the total revenue goes up higher than the millage rate goes up and in part that is due to the natural growth in the assessed values that provide additional growth in the area. Some years it is more than others, depending on the percent of growth. It can range from a

**BOARD
COMMENTS
(Continued)**

low of a minus value to a high of four to six percent. The average has been 3.07% (Chester County) and 1.68% (Delaware County). The difference needed is calculated as the change in the millage. Mr. Murray stated that we had a 7% increase last year in expenditures. Mr. Cochran commented that we had an 8.1% spending increase but between a 2.98% and a 2.4% millage impact. This year, we're looking at an 8.42% spending increase, which is inflated because of the Pocopson Detention Center. If you take that out, it goes down to 7.57%.

Mr. Wandersee congratulated Mr. Murray on the options that he designed for the potential facilities plan. He was impressed with his option on the \$60,000 (fourth column) and stated that you may want to take a look at that option. Mr. Murray commented that they put together options of what a large amount of debt would look like. Whatever the ultimate decision is going to be, the difference between \$40 million and \$70 million is very little in the first year.

Mr. Wandersee stated that he wants to see more realistic plans. We spent a total of \$42 million to do Unionville, Chadds Ford and Hillendale Elementary schools. We could pick a number – it could always be increased. He commented that whatever we decide, it has to be below 5% in his view.

Mrs. Brown inquired as to whether we could try to save some things in the budget. Mr. Wandersee stated that he thought Mrs. Brown made some excellent comments on rethinking what we can do and cutting here and there. He thinks it's the right approach and there should be something that might fit into the realm of some reasonableness. He is trying to be helpful in that direction. He feels that going ahead with \$90 million (4 \$/year) would be dead on arrival.

Mrs. Trigg complimented Mr. Marinelli regarding the improved format on page 18 that was done this year. She commented about taking one Pocopson Elementary Grade 1 teacher and putting it into a reserve position. We don't want to have teachers that are unnecessary but want the adequate number of teachers in those positions in case our enrollment increases.

Mr. Marinelli stated that we staff for actual numbers that we track throughout the summer. Dr. Kenney commented that with an unexpected influx of students, two to three positions may not be enough.

Mrs. Trigg asked whether the administration could talk in the morning and let them know instead of postponing tomorrow night's meeting. Mr. Murray stated that we could not do that to the public (notification). Dr.

Sweeney asked whether the administration could do it and bring it back tomorrow night since they are traditionally given 48 hours. Dr. Kenney stated that he would have to talk with everyone about the timeframe. Mr. Murray thinks we should meet on Wednesday and stated that he wants to see it done right.

Mr. Wandersee stated that he was fine with meeting on Wednesday. In response to Mrs. Halstead's questions as to whether we would know anything more about House Bill 39, Mr. Wandersee stated that we would not know anything significant.

Mr. Murray feels it would be appropriate to give the administration more time and go to Wednesday evening. In response to Mrs. Trigg's request, Dr. Kenney stated that he would have to meet with all administrators about the impact, etc. and did not know what their schedules were for tomorrow. Mr. Wandersee stated that he would be here on Wednesday but must attend another meeting that evening also.

Mrs. Halstead commented that she received a letter from a group who is doing the reading program at the middle school. She thinks there is a conference coming up in Chicago and wondered if any of our people were planning to attend. It is a major change in reading at the middle school and she wants it to succeed and hopes perhaps one person could attend.

Mr. Murray stated that the Board would reconvene on Wednesday evening, May 3, 2006 at 7:00 p.m. in the UHS LGI room.

The meeting was adjourned at 9:55 p.m.

Respectfully submitted,

Kathleen M. Brown
Secretary

**NEXT MEETING
– MAY 3, 2006**

**MEETING
ADJOURNED**