

**MARPLE NEWTOWN SCHOOL DISTRICT  
BUDGET PRESENTATION MEETING  
TUESDAY, MARCH 20, 2007  
BOARD ROOM  
MINUTES**

**PRESENT:**            **Board:** President Carol DeLuca, Mr. Richard Carpenter, Mrs. Nancy Galbraith, Mr. David McGinley, Mr. Edward Partridge, Dr. Jeffrey Shapiro, Mr. Won Shin and Mr. Richard Sokorai. Absent: Vice President Robert Moldoff

**Administration:** Mrs. Merle Horowitz, Mr. Joseph Driscoll, Dr. William Duffy, Mrs. Karen McGinnis, Mr. Michael Dumin, Dr. Connie Bompadre, Mr. Lance Freeman and Mr. Joseph Violanti

**Principals:** Mr. John Sanville

**Press:** 1

**Audience:** 13

**1. CALL MEETING TO ORDER and 2. PLEDGE OF ALLEGIANCE**

Ms. DeLuca opened the meeting at 7:01pm, welcomed all in attendance and led in the Pledge of Allegiance.

Ms. DeLuca stated that prior to the meeting the Board held an Executive Session to discuss legal matters.

**3. BUDGET PRESENTATION**

Mrs. Horowitz stated that today, the Delaware County Council recognized MN High School's Championship High-Q team who began a dynasty as we won for the second year in a row. I will hold up this exquisite resolution that was read today by County Council recognizing MN High School. I am with pride sharing this with all of you. This will be framed and will proudly hang in the MN High School. I will be speaking to this at the next Board meeting and the Hi-Q team will be present at the April Board meeting.

Mrs. Horowitz stated that because Mr. Moldoff is away on business we are video taping this presentation so that he will be able to have a copy. I appreciate the dedication in my administrative team in assisting me and putting together this evening's presentation. Being a Board member is a thankless job. The Board members dedicated countless hours to their roles. When we were faced with accepting and adopting a preliminary budget, these Board members and I recognized what matters most to the communities that we represent. I respected the position that the Board had to take in adopting a preliminary budget wishing to have a zero percent tax increase. That was an incredible challenge to my outstanding Business Administrator, Joe Driscoll and I. I am prepared to share with you that my administrators and I will represent a zero tax increase to the community yet you will learn how challenging it has been for all of us to examine our programs and make some heart wrenching recommendations to all of you to maintain a balanced budget with a zero percent tax increase. We have a power point presentation this evening that will be shared by several different administrators and myself.

Dr. Duffy stated that since July 1<sup>st</sup>, we have had 215 students who have moved into the district. Of those 13 were special education students prior to their moving here. In the six years that I have been in this district, that is one of the lowest numbers that we have had of special education students move in. Our number of special education students has decreased by 2.2% since the start of this school year. DCIU costs are projected to increase by 5.5% for the next year. Our ESY (Extended School Year) costs are \$313,683.00. Early Intervention costs are projected to be \$125,000. Our Fair Share costs are \$194,000. We have to replace all of the AED's in the district for \$10,400. Our new testing materials for psychologists are \$12,000 and for our speech therapists is \$4,500. We need \$7,200 for a program for sensory intensive learning support program. Our costs in our private schools and non-public schools in the DCIU are exorbitant.

Mr. Dumin stated that there is an increase in the budget from last year of 9.475%. That increase is in our bus-buyback program, the purchase of two vans, increase of utility costs and increased costs of building maintenance. Some additional needs are a dump truck for our grounds maintenance, a minivan to transport students, new carpet for the court area and golf shirts for maintenance department as suggested by the security company.

Dr. Bompadre stated that we were able to reduce costs by about 4.7%. New textbook adoptions are having the largest impact on our budget for 2007-08. Even though we have an increase in what we need to cover the cost of textbooks for next year, it actually has a zero impact on our preliminary budget that we already submitted. The textbooks are in the budget for next year. The only staffing that we are requesting is a .5 ELL teacher at the elementary level. The impact statement that I am handing out will explain our numbers.

Mrs. Horowitz stated that several principals came to her with varying requests for additional staff. Recognizing the physical restraints with the preliminary budget of zero, I had to say "no" to many requests. However, there is one secondary request that I think is absolutely essential to bring to you this evening. I have asked Mr. Sanville to share this request with you.

Mr. Sanville passed out an impact statement. I am making a request for a social studies teacher at the High School. We predict that we are going to need this teacher 1) to increase academic rigor and 2) to accommodate growth in the social studies department which we anticipate getting worse rather than better.

Mrs. Horowitz stated that she has come in this evening with simply two requests for staffing in our entire school district which is a .5 ELL teacher and a high school social studies teacher. I have come with two recommendations to cut or alter a program and I will defend each of them as to why I think they will present the least impact that will affect pupils and families in this district. Last spring, the transportation department came forward and said that they would like to recommend cutting the early morning music run because we are running eight buses which transport an average of 32 children. This year, we reduced the number of runs to five. The average number of students has not changed. I do not believe that this is an efficient use of funds for our district. I recognize this will create a hardship for some families. I cannot continue a program that would cost us \$26,991 for next year for an average number of 32 children. A .5 ELL teacher will cost \$20,073. A personal need for me is to improve the public relations for this district. I appreciate the support of my Board in providing me a part-time public relations position which began in March 2006 for 10 hours a week. I really need an average of 15 hours a week next year. This year, the cost to run our in-house alternative school program was \$96,399. We have a state grant for \$8,200 reducing our costs to \$88,199. Right now we have one teacher and one assistant. We have annual software maintenance needs and we contract our counseling services. We currently have six students in this program costing the district \$96,399. If we move to a state approved twilight program, it will run from 3pm-6pm. It will have no contract implications for our staff because the staff are finished by that time. We can hire our own certified teachers at the contractual rate of \$29.00 and our own guidance counselor. We can hire a lead teacher with principal certifications to direct and oversee the program. If we went with this program we could include appropriate middle school students for the first time ever, saving the school district money instead of sending them to an outside alternative program. We could handle them

here which would save us a lot of money. The total cost of the instruction program using the state grant is \$28,340. A total cost savings of \$59,359. The cost of a high school teacher is \$59,800.

Mr. Driscoll stated that over the last few years revenues have come in strong and they are continuing to come in pretty good but we are not seeing the positive revenue variance at the level we did last year. This year, we are looking at \$343,000. We are projecting to under-spend the legal budget for the first time in several years. Right now it is a balanced budget. The expenditures are at \$58 million and the revenues are at \$58 million. We will continue to refine the projections. We will be following the expenditures closely.

#### **4. BOARD COMMENT**

Dr. Shapiro asked about the AP Chemistry textbook. Is this being paid for in this year's budget or next year's?

Mrs. Galbraith replied that Mr. Piecara told us that it would be in next year's budget.

Mr. Sokorai asked for clarification on the way the alternative school is run now.

Mrs. Horowitz replied that the students come to the High School now for a full day. We have a room in the ground level of the High School staffed with one teacher and one para-professional. Students are learning through a computer program called Plato. The teacher is really a facilitator who manages the program. I am proposing that rather than have a day program that costs close to \$100,000 we have a twilight program for about \$28,000.

Mr. Partridge stated that Dr. Duffy had a slide that showed growth in special education costs. Are all of the numbers shown increases or were some of those just the cost of the particular item.

Dr. Duffy replied that the slide showed the cost of the particular item.

Mr. Sokorai asked if the wards of the state are our responsibility when they are put in our school district.

Dr. Duffy replied yes. We get \$15,600 for wards of the state. Our average cost for a special education student that attends our schools is just under \$21,000. The problem is that most of these kids are placed at Don Guanella and are part of that \$750,000 that we pay to the DCIU.

Mr. Partridge stated that the original preliminary budget presented by the administration was at \$59,500,000. The Board adopted a preliminary budget of \$58 million. There were never any cuts in the budget. The administration was simply asking for an increase of \$3.25 million and the Board said, "No, let's just increase it \$1.75 million." There were never any cuts from the overall budget. Built into the budget were two items that had nothing to do with salaries, benefits, services or programs. Those two items were built into that \$59.5 million budget. Mr. Driscoll, how much did we build in there to incur debt for next year?

Mr. Driscoll replied \$750,000.

Mr. Partridge asked how much do we build in there for one-time financing savings.

Mr. Driscoll replied that there was a one-time savings of \$676,000 from the re-funding of the 2001 bond issue.

Mr. Partridge asked of the original budget the administration submitted to the Board was that number actually \$750,000 that was originally built in.

Mr. Driscoll replied that there were two numbers. There was an estimated savings of \$750,000 spread over two fiscal years.

Mr. Partridge stated that there were two items built in the \$59.5 million budget that the administration presented. One was \$750,000 for re-occurring debt and the other was one-time savings for financing of \$750,000 that will have to go back in the next year. If you add \$750,000 and \$750,000 you get \$1.25 million. There were a couple of options that the administration had, to go from \$59.5 million to \$58 million. One simple option would be to take those two items out and it would not affect salaries, benefits, property services, supplies, equipment, etc. The administration did not take out all of the one-time savings. They left in \$286,000 and took the rest out of some of the expense accounts. We still have \$286,000 of one-time financing savings that we could take more out of the budget if we wanted. Do we have any kind of statistics on the payoff for the AP classes such as where college courses or scholarships are given?

Mr. Sanville replied that there are all kinds of statistics in terms of benefits for the kids. Our kids are better prepared for college and are more marketable to go to the better institutions. I would be glad to get you some statistics.

Mr. Partridge stated that Mrs. Horowitz said that she had several staff members asking for increases in staffing and she had to say “no” due to budget restraints. Were all of these valid requests or increases that you didn’t think were going to have any significant impact on our educational program?

Mrs. Horowitz replied that there were several that would have improved our educational program. Some of them involved better and richer support services for our youngsters at our elementary level. We share a lot of staff across our schools.

Mrs. Galbraith asked if there would be a separate presentation on technology.

Mrs. Horowitz replied that we are looking long-term for the needs of our school district in terms of technology that will likely go hand and hand with recommendations for the facilities renovation. The next step is to develop a new Technology Plan. The state has aligned the Technology Plan with the Strategic Plan. We are looking at some enhancements for productivity within the district. There will be no impact and change for the technology budget for next year.

Mr. Carpenter asked if there would be hardcopies of the power point slides presented tonight.

Mr. Driscoll replied that we could definitely get copies of this power point presentation.

Mr. Shin stated that Mrs. Horowitz has done a job well done. The leadership that you have taken on with respect to this year’s budget is commendable. You have done an excellent job in bringing this budget and presenting it to the Board in a very concise fashion. When I first came onto the Board we were faced with a budget where we had to put back a one-time savings from a refinancing and it was a painful thing that the Board had to do that year. We are basically doing the same thing with this upcoming budget by taking out a one-time refinancing savings. What is our plan to bring that back into the 2008-09 budget and not have it be so painful? Can we use the fund balance as a back up should increased property revenue not come in on time?

Mr. Driscoll replied that the semantics are the same but the amount of money is different. If we had to, we could utilize the debt service to try to ease that in over two years if we needed it. This is a number that is much more manageable than the number we faced a while ago. Yes, you could always use fund balance to offset a tax increase.

Mr. Partridge stated that he can think of three different ways to easily put that back in. One would be the significant increase that we are going to see from the development in Newtown. Second, like Mr. Driscoll said, is that we have the fund balance. The third way is to use the budgetary reserve.

Mr. Shin asked how much more work is left on the budget. If come April, everyone is okay with the budget, do we have to wait until June to approve it?

Mr. Driscoll replied that there is still work to do on the budget. The earliest that I would recommend is May 27<sup>th</sup>.

Dr. Shapiro asked what the perspective revenue variance is.

Mr. Driscoll replied that it is about \$342,000.

## **5. PUBLIC COMMENT**

No comments were made.

## **6. CLOSING COMMENTS AND ADJOURNMENT**

Ms. DeLuca thanked the administration for the concise and detailed report.

Mrs. Horowitz stated that she will have hard copies of this power point presentation for all Board members in their Friday packet. I will also email it to you if you wish to have it on your computer. Regarding the recommendation to cut the early morning program, I do not wish it to have an impact yet I feel the need to provide a detailed explanation to the professional staff as I am an advocate of our excellent arts programs. I also feel the need to communicate to the families of our children so that there could be some other arrangements made such as carpools, etc. to get the kids to music programs in the morning. I will praise Stan Piecara in his absence for sharing with me his knowledge of my past involvement with alternative education and saying to me, "You know the program that you developed in your former district. We can do that here." He also let me know that if the Board chooses to accept this recommendation, we have to revise our alternative education program with the PDE. It is on file as a five day a week full day program. We also have a state approved grant. This will necessitate the changing and approval of that at the state level. I would ask the Board that at the next Board meeting to give me some direction as to those two things that I shared this evening so that we can move on them in an appropriate fashion with all respectful constituents.

Mr. Shin made a motion and seconded by Mrs. Galbraith to adjourn the meeting.

Ms. DeLuca adjourned the meeting at 8:38pm.

**Respectfully submitted by Heather Welsh, Confidential Secretary to the Board.**