

# **BIG SPRING SCHOOL DISTRICT**

**Newville, Pennsylvania**

## **BUDGET HEARING MINUTES**

**MONDAY, JUNE 21, 2010**

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### **I. CALL TO ORDER**

The Board of School Directors for the Big Spring School District met in the Big Spring High School Large Group Room, Room 140, at 7:29 P.M. with President Wilbur Wolf, Jr., presiding. Eight (8) directors present: Wilbur Wolf, Jr., President; William Swanson, Vice President; Robert Lee Barrick, Secretary; Kingsley Blasco; Tarin Houpt; Richard Norris; William Piper; and Richard Roush.

Terry Lopp, Treasurer, was absent.

Others in attendance: Richard Fry, Superintendent; Jeanne Temple, Assistant Superintendent; Kevin Roberts, Director of Curriculum/Instruction and Educational Technology; Richard E. Kerr, Jr., Business Manager; Denny Clopper, The Valley Times-Star; and Brenda Line, Board Minutes. Also present: Gordon Burgett and April Messenger.

### **II. BUDGET OVERVIEW – Mr. Richard Kerr, Business Manager**

Mr. Kerr provided the members of the Board of School Directors with copies of a 29-page document entitled Final Big Spring School District 2010-2011 Budget for Approval June 21, 2010, including the current year budget review, the 2010-2011 budget revenues and expenditures, the budget divided by objects (types of expense), the budget divided by functions (programs), special subjects, PSERS expense using latest House Bill 2497 rates, tax rate summary, Annex A – 2010-2011 Budget by Revenue Function, Annex B – 2010-2011 Budget by Expenditures Objects, Annex C – 2010-2011 Budget Expenditures Using PDE 2028 Data, Annex D – Budget by Department, Annex E - 2010-2011 Budget Resolution, and Annex F – HS-FS Calculations. The General Fund Budget information is included in the following link: [BSSD-2010-11Budget-Final-21Jun10.pdf](#), and a hard copy is attached to these minutes.

## **Big Spring School Board Budget Hearing Minutes ~ Monday, June 21, 2009**

### **II. BUDGET OVERVIEW (Continued)**

In addition, Mr. Kerr provided a five-page document entitled PASBO Summary of House Bill 2497, Printer's Number 3928 – Public School Employees' Retirement Code Changes. Please refer to the document attached at the end of the hard copy of the 2010-2011 Budget.

Mr. Kerr reviewed the attached documents and answered questions. The following items were noted that are not included in the attachments:

- A.** The EIT collections are less than predicted for this time of year; however, collections are approaching the level of revenue projections.
- B.** When the Board makes the decision regarding the bond to fund the Newville project, part of the bond must include the reimbursement to the General Fund to make it whole for those construction costs, architect fees, and project-related costs that were paid from the General Fund for the Newville and Plainfield projects. Even though the Board is not pursuing the Plainfield project at this time, architects' fees and project-related costs were paid in the amount of approximately \$677,000.00.
- C.** An 8.22 percent PSERS increase was used in calculating the 2010-2011 PSERS budget line item. The current rate is 4.76 percent.
- D.** The American Recovery and Reinvestment Act (ARRA) monies (federal) contribute \$1,473,828.00, or 4 percent of the District's budget for 2010-2011. This funding will not be available for the 2011-2012 fiscal year. The District must find a way to replace this ARRA funding in the event the State chooses not to provide the funding. Other District funding source percentages follow: Commonwealth-39 percent; Federal-1 percent; Local Effort-56 percent.
- E.** In response to a question from Director Blasco, Mr. Kerr indicated that he does not know what percentage of the budgets the Commonwealth pays for the Philadelphia and Pittsburgh school districts; however, he could investigate and provide this information to the members of the Board of School Directors.
- F.** In response to a question from Director Blasco, Mr. Kerr indicated that the staff reductions approved by the Board have been implemented.
- G.** Mr. Kerr's is concerned about potential future decreases in the State's basic education and special education subsidy
- H.** In response to a question from Director Blasco, Mr. Kerr explained that in Item 1100, Regular Instruction, Account 300 includes services that qualify as purchased professional and technical services, such as school psychologist services, physician services, and training expense for teacher in-service, to name a few. Account 400, purchased property services, includes services primarily related to buildings and grounds.
- I.** Mr. Gilliam is projecting a Cafeteria Fund loss of \$140,000.00; however, Mr. Kerr believes that figure will be lower, and he has budgeted a Cafeteria Fund loss of \$100,000.00 in the 2010-2011 General Fund budget.
- J.** As a result of staff cuts, the total number of personnel in the district is 472 for the 2010-2011 school year, compared with 484 for 2009-2010. This includes full-time, part-time, administrative, professional, and classified staff.

## Big Spring School Board Budget Hearing Minutes ~ Monday, June 21, 2009

### II. BUDGET OVERVIEW (Continued)

- K. In response to a question from Director Blasco, Mr. Kerr explained that House Bill 2497 includes a proposal to remedy the PSERS fund by amortizing the expense over the next 20 to 30 years. Mr. Kerr encouraged Board members to review the HB 2497 information in the attached document. This bill has not yet passed.
- L. The proposed budget before the Board this evening includes a 16.072 mill rate, which is a 3.99 percent increase compared with the prior year. The original proposed increase was 5.44 percent; however, the administration and the Finance Committee worked to decrease that percentage. For a home assessed at \$100,000.00, the 3.99 percent increase equals a real estate tax increase of approximately \$62.00.
- M. The overall increase in the operating budget is 2.6 percent.
- N. Real estate parcels qualifying for the Homestead/Farmstead exclusion will receive a real estate tax reduction of \$132.24 via proceeds from gambling monies. This is a couple dollars less than last year.
- O. In response to a question from Director Blasco, Mr. Kerr indicated that, based on the State's budget projections, he is most concerned about the basic education subsidy and the disappearance of the \$1.1 million ARRA funding in 2011-2012. The budget before the Board this evening assumes no increase in the State's basic education subsidy and includes a decrease in the State's transportation subsidy.

### III. PUBLIC COMMENT

No public comment was offered.

### IV. ADJOURNMENT

Motion by Norris, seconded by Swanson to adjourn. Roll call vote: Voting Yes: Blasco, Houpt, Norris, Piper, Roush, Barrick, Swanson, and Wolf. Motion carried unanimously.

The meeting was adjourned at 7:53 P.M.



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Robert Lee Barrick, Secretary