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# OFFICE OF THE SUPERINTENDENT

## MEMORANDUM

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**TO:** BOARD MEMBERS  
**FROM:** JOHN H. GRANT, SUPERINTENDENT  
**SUBJECT:** BUDGET RESOLUTION OF NOVEMBER 14, 2005  
**DATE:** 12/5/2005

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The Board charged administration with the task of preparing a budget that in essence generates a reduction of \$4,285,039 in local taxes as related to the draft preliminary budget for 2006-2007. Staffing (100, 200 codes) is to be reduced by \$3,213,770 (75%). See Attachment I.

Because of Pennsylvania School Law (24 P.S. 11-1124 – Causes for Suspension), suspension of staff may occur only for : lowered enrollments (E); curtailment of program (P); and closing schools (S), the response to the Board’s charge will be presented as a series of policy changes that when approved by the Board will cause a reduction of staff through suspension. Legally, reduction in staff must be the effect of one of these legal causes (E, P, S). It is well argued that financial reasons are not accepted as a “cause” for suspension.

### A. Policy Changes

1. Reconfiguration from Four (4) to Three (3) Attendance Areas to Accommodate Lowered Enrollment (E)
  - a. Central: Present Central + Present East – Portion to West – Portion to North
  - b. North: Present North + Portion of Central ± Portion of West
  - c. West: Present West + Portion of Central ± Portion of North
2. Reconfiguration of Building Utilization to Accommodate Lowered Enrollment (E) (S)
  - a. Central:

Warren Area High School (WAHS):	9 through 12
Sheffield Area Middle/High School (SAMHS):	6 through 8
Beaty-Warren Middle School (BWMS):	Closed
Warren Area Elementary Center (WAEC):	2 through 5
Allegheny Valley Elementary School (AV):	K through 5
Sheffield Elementary School (SES):	Closed
South Street Early Learning Center (SSELC):	K through 1
Warren County Area Vocational	

Technical School (WCCC):	All Areas
Learning Enrichment Center (LEC):	Closed
Central Office at Curwen Building:	No Change

b. North:

Eisenhower Middle/High School (EMHS):	6 through 12
Russell Elementary School (RES):	K through 5
Sugar Grove Elementary School (SG):	K through 5

c. West:

Youngsville High School (YHS):	9 through 12
Youngsville Elementary/Middle School (YEMS)	K through 8

3. Curtailment/ Alteration of Educational Program (P) (S)

- a. Change 6-12<sup>th</sup> grade teaching periods from 8 to 7 (No change in workday)
- b. Reduce graduation requirements to 24 credits from 28.
- c. Move from a "4 track" academic choice program to a single track program focused on PA standards plus modification for gifted, vocational and special education students.

\* d. Define class sizes as:

6-12	Maximum = 27; Minimum = 18; Lab Class = 24
3-5	Maximum = 27
K-2	Maximum = 25

- e. Restructure Curriculum Review Cycle to accommodate all changes and new state required District e-Strategic Plan.

\*\* f. Athletic and Extra-Curricular Programs modified to:

Varsity -	Central + North and West Combined
JV -	Central + North and West Combined
Marching Band -	Central + North and West Combined
Drama Productions -	3 County-wide Productions

B. Effect of Policy Changes 2006-2007 Budget Projections

1. Reduced Staffing Costs – (Salary; Fringe Benefits; Retirement Breakage)

a.	62 FTE (Full-Time Equivalent)	Teachers	≈	\$3,100,000
b.	4 FTE	Administration	≈	320,000
c.	9 FTE	Custodians	≈	267,000
d.	4 FTE	Secretaries	≈	112,000
e.	4 FTE	Teacher Aides	≈	85,000
f.	Athletics & Extra Curricular Personnel			≈ 350,000
g.	Unemployment Benefit Costs			≈ <u>(560,000)</u>

Net Reduction ≈ \$3,589,000

2. Reduced Program Support Costs – (Building Closing, Curriculum)

a.	Closing Beaty-Warren (First Year)			≈ \$141,000
b.	Closing Sheffield Elementary (First Year)			≈ 48,000
c.	Closing LEC			≈ 40,500
d.	Business Activity Flexibility			≈ 200,000
e.	Delay Curriculum Cycle (Math)			≈ 275,000
f.	Cyber Charter School (-30 students)			≈ 105,000
g.	Regular and Activity Transportation			≈ <u>(48,000)</u>

Net Reduction in Support Costs \$761,500

Total Reduction as Charged \$4,350,500

Summary:

The policy changes presented for Board consideration could lead to a zero tax increase budget for 2006-2007 which would lead to a spending plan of \$62,640, 591. The key to such a plan is the restructuring of the school district to generate a critical mass of students in a compressed curriculum. Such a critical mass allows for class sizes that reduces the need for teachers.

Administration recommends that if the Board were to increase taxes, the priority changes should be:

\* First, class size reductions to: 25 maximum for 6-12; 24 maximum for 3-5; and 22 maximum for K-2.

\*\* Second, North and West attendance areas have separate athletic and extra-curricular programs.

This conceptual presentation will be expanded to a full budget and implementation plan when policy decisions have been completed.

## ATTACHMENT I

It was moved by Kevin Freestone and seconded by Richard Pascuzzi that the Board of School Directors directs the administration to prepare a budget with a tax of 46.0 mills having a total recommended expenditure of \$62,706,052, and as they prepare that they have two paths:

- 1.) an across the board cut with 75% of the cuts in personnel; and
- 2.) a separate list of cuts generated by the administration that will result in meeting a zero tax increase budget.

The result of the vote was: Unanimous

## ATTACHMENT II

### 24 P.S. 11-1124 Causes for Suspension

1. Substantial decrease in pupil enrollment (E)
2. Curtailment or alteration of the educational program (P) on recommendation of the superintendent, concurred in by the Board of School Directors, approved by the Department of Public Instruction, as a result of substantial decline in class or course enrollments or to conform with standards of organizational or educational activities required by law or recommended by the Department of Public Instruction.
3. Consolidation of schools (S)

## TIMETABLE

December 5, 2005	Superintendent's Response to Budget Charge
January 9, 2006	Regular Board Meeting
January 16, 2006	Special Board Meeting – Budget Workshop
January 30, 2006	Finance Committee Meeting
February 6, 2006	Special Board Meeting – Budget Workshop
February 13, 2006	Regular Meeting . . . vote scheduled on 2006-2007 Preliminary Budget
February 15, 2006	“Last Chance to Adopt” . . . Special Meeting. . . if necessary