

WARREN COUNTY SCHOOL DISTRICT
BOARD OF SCHOOL DIRECTORS
SPECIAL MEETING MINUTES
MONDAY, JANUARY 16, 2006

1. Opening Activities

A. Call to Order

The special meeting of the Warren County School District Board of School Directors was called to order by Mrs. Nuttall, President, at 6:00 p.m. in the Board Room of the Warren County Career Center, 347 East Fifth Avenue, Warren, Pennsylvania.

B. Pledge of Allegiance

Mrs. Nuttall led the Pledge of Allegiance to the American flag.

C. Roll Call

Roll Call

Board Members Present:

Mr. Roger Dunham
Mr. Kevin Freestone
Mr. Thomas Knapp
Mr. Richard Lyle

Mrs. Jacki Nuttall
Mr. John Schwanke

Board Members Absent:

Dr. Jack Martin Mr. David Wortman

Motion: Kevin Freestone made a motion seconded by Thomas Knapp that the balance of the agenda be rejected.

Roll Call Vote:

Voting Yes: Mr. Dunham, Mr. Freestone, Mr. Knapp, Mr. Lyle, Mrs. Nuttall, Mr. Schwanke

The result of the vote was unanimous in favor of the motion.

Motion: Kevin Freestone made a motion, seconded by Richard Lyle that the agenda adoption includes the following in the order that will be discussed:

- 1.E. Public Comment
- 2.A. Temporary Board Seat Vacancy
- 2.B. Board Review of Policy 4020 – Budget Development (new)
- 2.C. Board Charge to the Curriculum Committee - Discussion and Motions (new)

- 2.D. Board Charge to Board President concerning the former items 2.C., D, E, F, G, H, I, and J. (new)
- 2.E. Administration Presentation of Preliminary Revenues for 06-07 (new)
- 2.F. Board Revenue Discussion, Questions and Motions (new)
- 2.G. Administration Presentation for Preliminary Expenses for 06-07 (new)
- 2.H. Board Expense Discussion, Questions and Motions (new)

Roll Call Vote:

Voting Yes: Mr. Freestone, Mr. Knapp, Mr. Lyle, Mrs. Nuttall, Mr. Schwanke, Mr. Dunham

The result of the vote was unanimous in favor of this motion.

D. Public Comment

Claudia Solinko	WCEA President	Budget - Opposes minimum class size policy.
Daryl Clendenen	Russell, PA	LEC - Gifted Study Group - Report has been submitted with no comments or questions from administration or Board members.
Kim Angove	Russell, PA	LEC - Gifted Study Group.
Mark Davis	10 Crescent Park	Budget - Retired teacher - upset that the agenda was changed at the last minute.
		Concerned about the curriculum.
Betty Dunn	Clarendon, PA	Budget - Gifted Program .
Curt Penwell	Clarendon, PA	LEC - Gifted Study Group.
George LeMeur	Warren, PA	Opposes educational cuts.
Andrea Stapleford	Warren, PA	Opposes educational cuts.
Sarah Stapleford	Warren, PA	Opposes educational cuts.
John Stewart	Warren, PA	Opposes educational cuts - presented a petition with 500 signatures.
Magda Fanaritis	Warren, PA	AP Courses - opposes cuts.
Kirsten Turfitt	Warren, PA	Opposes educational cuts.
Lynn Waterfield	6 Briggs Drive, Warren, PA	Opposes single track curriculum and supports Consolidation to keep curriculum as is.
Barbara Scott	408 East Street, Warren, PA	Opposes single track curriculum.

Nancy Shodi	4 Ruhlman	Opposes single track curriculum
Jeff & Pam English	Crescent Park, Warren, PA	Opposes the curriculum changes
Linda Betts	E. Fifth Ave., Ext. Warren, PA	Did not speak.
Todd & Peggy Betts	E. Fifth Ave., Ext. Warren, PA	Do not take away the curriculum offerings.
Jon Craig	E. Fifth Ave., Ext. Warren, PA	Did not speak.
Susan Stewart	7 Branch Street	Agenda should not have been changed at the last minute. Academic Quality Core Curriculum

2. New Business

A. Temporary Board Seat Vacancy

Motion: Jacqueline Nuttall made a motion seconded by Roger Dunham that the Board of School Directors approves to proceed with the Petition to Declare a Temporary Vacancy pursuant to Section 315 of the School Code, as proposed by the Solicitor, and that the Board of School Directors authorizes the Administration and Solicitor to take all steps necessary to advance said Petition.

Roll Call Vote:

Voting Yes: Mr. Knapp, Mr. Lyle, Mrs. Nuttall, Mr. Schwanke, Mr. Dunham, Mr. Freestone

The result of the vote was unanimous in favor of the motion.

B. Board Review of Policy 4020 – Budget Development

Kevin Freestone read the first two paragraphs of Policy 4020 – Budget Development.

There were no other comments from the Board members.

C. Board Charge to the Curriculum Committee Discussion and Motions

- 1.) Motion: Kevin Freestone made a motion seconded by Thomas Knapp to direct the administration to keep the Gifted Program with administration input for a more efficient delivery system.

A friendly amended motion was offered by Richard Lyle to direct the administration to keep the Gifted Program with administration input for a more efficient delivery system utilizing the report submitted by the Gifted Study Group.

Mr. Freestone and Mr. Knapp agreed to the friendly amendment.

Public Comment:

Daryl Clendenon	Russell, PA	The Gifted Study Group would like time to address the study report. They are not opposed to closing the LEC. They are against doing something with no good plan in place for the gifted education.
Curt Penwell	Clarendon, PA	Gifted Study Report - Let the study group work with you to put a good program in place.
Mark Davis	Warren, PA	As a teacher, he felt cut-off from the program at the LEC and unable to attach what was being done in the classroom with the gifted student.
Magda Fanaritis	Warren, PA	Her grandchildren dropped the LEC because it interfered with classroom work at the high school level. Teachers were not happy having students leave class every week. They were penalized.
Kim Angove	Russell, PA	The study group realized that the gifted program is not just the LEC. It encompasses many aspects - enrichment, acceleration, individualized GIEP. The biggest challenge is gapping the home school and the LEC and everyone working together.
Jeff Lockett	Russell, PA	Do not forget the technology ways of delivering program - virtual classrooms, video conferencing. Use technology to open up programs in the schools where those programs do not exist.

The result of the vote was unanimous in favor of the motion.

- 2.) Motion: Jacqueline Nuttall made a motion seconded by John Schwanke to direct the administration to examine college preparation curriculum for adequacy in meeting the needs of students attending a four-year college. This would also include a report on the educational needs of our students to qualify for those colleges.

Mrs. Nuttall would like the report ready to discuss at the next CIT meeting on January 30, 2006.

Public Comment:

Patty Miller		AP Classes - Colleges will not take your AP credit unless a score of 4 or 5 is achieved. The courses helped her daughter to be more prepared for college classes.
Curt Penwell	Clarendon, PA	It is because of the AP classes that some WCSD students have been able to do well in college.
Caroline Evans	Warren, PA	Spoke in favor of keeping as many honors, AP and 3 rd and 4 th year language courses as possible.

The result of the vote was unanimous in favor of the motion.

- 3.) Motion: Kevin Freestone made a motion seconded by Roger Dunham to direct the administration to improve the applied curriculum to better meet the needs of the employers in the area for jobs paying greater than \$9.00/hour; this would also include a report on the needs of those employers. Administration will provide data driven input on whether these are only Career Center students or we should improve the so called applied curriculum.

Public Comment:

Mark Davis	Warren, PA	He applauded the motion and stated that there needs to be a dialogue between the school district and business community.
David Bauer	Sugar Grove, PA	The students who do not go to college and stay here are the future of our community. They are the ones who make or break local businesses.

The result of the vote was unanimous in favor of the motion.

- D. Board Charge to Board President concerning the former items 2.C., D, E, F, G, H, I, and J.

Motion: Kevin Freestone made a motion seconded by Roger Dunham that the items formerly known as 2.C, D, E, F, G, H, I and J be assigned to the appropriate committee by President Nuttall and to only be returned to the full board by those assigned committees and furthermore that the

administration is to work through those committees on these items.

There was no public comment.

The result of the vote was unanimous in favor of the vote.

E. Administration Presentation of Preliminary Revenues for 06-07

Administration presented the revenue projections for the 2006-2007 preliminary budget. The document is available on BoardDocs and changes are highlighted in yellow.

Local Revenue Adjustments

Assessed valuation has total decreased 6.5 million due to assessment appeals or a 1.46% decrease. If the millage stays the same, the Board would have to raise more funds just to make up the gap of property value loss in the county.

Highlighted Changes:

Acct. 6114 – Payment in Lieu of Taxes – This is a payment for forestry revenues that were predicted to be received through the Allegheny National Forest in return for lost property value for school district taxes. The appropriation has been finalized, but information has been received through the Allegheny Nation Forest Alliance that there may be a significant decrease in the funding for the overall program. It has been decreased by \$20,000. Funding levels will be affected by the situation in Iraq and the damage done by Hurricane Katrina. This is clearly an estimate at this time.

Earnings on temporary deposits – This fund balance allows the school district to invest funds and earn interest at a decent rate considering it is a tax free investment. It has been upgraded to \$200,000 for 06-07.

State Revenue Adjustments

Charter School subsidy from the Commonwealth – The Commonwealth of Pennsylvania funds charter school appropriations a year in arrears. That means our expenses for the previous year we will receive for reimbursement the following budget year. The formula used for the 2005-06 school year was 22% of the total expenditures. The Commonwealth, at the initiation of this program, promised 30% and is based on available funds. Over the past three years there has been a significant increase in charter cyber school participation throughout the state and the pool of money has not increased at the same rate of growth as participation. The district is expecting only 20% reimbursement from the state for the charter school expenditures this year and since the budget was formulated 13 new students have enrolled in cyber charter school.

Pupil transportation has been revised upwards of \$150,000 to \$3.45 million. We receive approximately 70% reimbursement on total expenditures for transportation of students. Due to the cost of fuel that the district purchases and the cost in the contracts, we should expect to receive more revenue for 06-07. This is similar to the charter school subsidy, it is a year in arrears.

Federal Revenue

As the revenue from grant programs decrease, so do the expenditures. IDEA funding will be decreased by \$50,000 because of the reduction of enrollment on an annual basis.

Title I Funding - same scenario as IDEA funding. The funding has been reduced accordingly due to the projected loss of students.

Title IIA and IIB are also reduced for the same reasons. With this is a net loss of zero because expenditures are also reduced.

Sale of Real Property - an estimate is included from \$2,000 to \$77,000. This is for items auctioned that are no longer of use to the district but may be to someone else. A rock and mineral collection has been returned to the district from Penn State University and \$77,000 is a rough estimate as to the amount received from auction.

The largest portion of the funding is from the basic instructional subsidy \$22 million. The governor has not yet given an estimate as to the funding for 06-07. Even when he does, that does not mean that is the amount that will be received. It is challenging trying to guess what will be approved and have assumed that with a growth of approximately 2.5% and historically this is what has been received in the past. The governor's budget is expected to be released on February 6, 2006. Also the special education funding figures have not been released yet either.

Questions:

Mr. Schwanke: On the energy costs section where an increase is predicted, approximately \$150,000, did I hear you correctly that about 70 percent of what is spent on pupil transportation is refunded by the State?

Mr. Schulz: Yes, sir.

Mr. Schwanke: I guess you used last year's transportation figures to estimate what it will be? Am I correct there?

Mr. Schulz: Yes, what we used was 05-06 year's transportation figures estimated, because last year's figures were significantly different with the opening of the Warren Area Elementary Center.

Mr. Freestone: Why isn't the actual 04-05 showing on there?

Mr. Schulz: It is updated on there. There is a column for 04-05 audited.

Mr. Freestone: Was that placed on BoardDocs?

Mr. Schulz: This document itself was placed on BoardDocs Friday morning.

Mr. Freestone: When I went into the audited report, I found differences between that number and the audited report.

Mr. Schulz: Which number are you referring to?

Mr. Freestone: Well let's talk to total local revenues. Total local revenue in the audit report shows \$23,206,945 and it shows on the spread sheet \$22,878,000. So I was just wondering why the difference? The same is true for total State Revenue where the spreadsheet shows \$31,991,208 and the audit report shows \$32,618,681? So I am just asking that that be

updated to make sure audited books match the spreadsheet.

Mr. Freestone: Did I hear that the ArtSmart went away?

Mr. Schulz: That is correct, we are not expecting any ArtSmart funding for 2006-07.

Mr. Freestone: Do we have any expenses associated with it?

Mr. Schulz: No Sir, we don't.

Mr. Freestone: Do we have a written estimate from the county assessor's office to support the \$435,479,872 in assessed value?

Mr. Schulz: Yes sir, we do, I have it.

Mr. Freestone: Could we supply that to the Board members or to the next Finance Committee meeting?

Mr. Freestone: What is the rationale behind the \$6.5 million decrease in assessed valuation? We have covered that before in the committee meeting, but maybe you could just brush on that for the public.

Mr. Schulz: The decrease in valuation has been over several variables but predominantly there have been several companies with litigation cases where industries in the community have called for a reassessment and decrease in the valuation, and they have won. The next reason for the decrease is the total property values.

Mr. Freestone: Do we know when the cell towers are coming on the tax rolls and when they will hit the budget?

Mr. Schulz: The county assessor is currently being changed. I spoke with Jerry Jespersen Friday afternoon and he said that he was retiring and a new assessor who will be working on this as her prime responsibilities, but there is no definitive answer on when the cell towers and their valuation will be placed on the levy.

Mr. Freestone: Madame President, may I ask a member of the audience if he is willing to answer?

Mrs. Nuttall: Yes, you may.

Mr. Bauer: Those cell phone towers should be on the rolls this year. The assessments on the structures are done. Now we have to do a companion assessment of the parcel of land they sit on. Obviously that has an increased value that is usually rented to the tower company. In addition, the decrease in values, I believe you going to see that completely eliminated this year. What we have discovered, in the commissioners' office, is that our assessment office was sitting on a backlog of some 260 commercial properties that had either never been assessed or had made significant improvements that had not been assessed that totaled millions and millions and millions of dollars of assessed value. That is why we saw a decrease this year. Every year we have appeals, every year we have things coming under LERTA or KOZ, but it is always made up by the other properties that are brought on. Unfortunately here is a huge backlog. We have placed additional money in our project to address that backlog this year. So I believe the numbers you see as local revenue will

be significantly higher than what you show here. And we will charge our new chief assessor to work very closely with Mr. Schulz to nail those numbers down as soon as we can.

Mr. Freestone: Why the \$5,800 decrease in public utility reality?

Mr. Schulz: Right now we are only estimating the receipt at \$35,000 for 2005-06. That is a number that I do not have pre-knowledge of to be able to forecast. So I am going off previous history.

Mr. Freestone: The \$34,000 decrease in delinquent taxes in the 6400 account?

Mr. Schulz: The \$1.7 million you see budgeted there is certainly a number that is very fluid in the sense that when we receive delinquent payments on delinquent taxes that is where that money goes. The trend over the past couple of years is that the delinquency fluctuates from year to year. If you look back a few years we receive \$1.7 million, the next year \$1.4 million, the year after that \$1.6 million, and then the estimated \$1.7 million for this year. It is a pure guess. We have seen a rise in delinquency on the actual payment of taxes.

Mr. Freestone: The \$51,000 decrease in rentals and sinking funds - 7320?

Mr. Schulz: The \$51,000 decrease is based on the exact formula that we have from the Commonwealth of Pennsylvania through PlanCon for the reimbursement of our debt service that is outstanding. The reason for the decrease for 05-06 we had an increase in the rate rental reimbursement. We will receive \$700,000 for 2006-07.

Mr. Freestone: That is using the standard formula and is not being influenced by the increased rate from last year?

Mr. Schulz: No that is the rate we will be receiving for 2006-07.

Mr. Freestone: He wanted to know about the \$7,500 decrease.

Mrs. Green: The DARE grants have been decreased across the state. The State allocation for the DARE program was decreased and consequently every grantee that received DARE, received a decrease. And our understanding is that decrease will continue into next year and until that program, well that plan is for it to go away.

Mr. Freestone: Wow. That really sounds strange given how many places have been busted here in the past year, meth labs.

Mr. Freestone: \$483,887 decrease in tutoring?

Mrs. Green: The tutoring program is a year to year grant that comes from the state and has been highly advocated for through the governor's office, but there is no guarantee that that program will continue. Right now the people at the PDE in charge of the tutoring program are gathering information to go to the legislature and advocate for the continuation of that grant, but there is no way we can include that in the budget because we have no way of knowing whether or not the legislature will fund that again for a third year.

Mr. Freestone: \$75,000 decrease in Social Security State Share 7810?

Mr. Schulz: That is strictly one half of our Social Security share 7.65 percent depends on salary.

Mr. Freestone: We have had that much decrease in salary?

Mr. Schulz: Yes, we have. The expenditures on our total payroll with the reduction of staffing from 2005-06 and through a very, very stringent projection for 2006-07.

Mr. Freestone: So the State percentage has not changed?

Mr. Schulz: No, the State percentage is the same.

Mr. Freestone: \$50,000 decrease in unrestricted grants, 8100?

Mr. Schulz: That was the impact aid funding that we had not received for the last year for the property flooded by the Kinzua Dam. We will not be receiving that money in 2005-06 and 2006-07.

Mr. Freestone: \$50,000 decrease in restricted IDEA Part B, 8512?

Mr. Schulz: There is a loss of aid from IDEA and ArtSmart as well and IIA and Title IV.

Mr. Freestone: \$7,000 decrease in Title IIA-is that part of that?

Mr. Schulz: Yes, that is a reduction in students.

Mr. Freestone: Do we know that the subsidies for charter schools will be \$500,000? With what level of confidence?

Mr. Schulz: We project an increase \$560,000 based on the total expenditures that we are estimating for the 2005-06 school year at 20 percent reimbursement rate. I feel pretty confident that we should hit 20 percent.

Mr. Freestone: And that is one of those issues that we need to work with our State representative on since it is supposed to be 30 percent.

Mr. Schulz: Yes sir.

Mr. Freestone: Well we know that pupil transportation with a level of confidence will be \$34,507,310?

Mr. Schulz: Again that is contingent upon on the state legislature and the governor passing a budget. That needs to be addressed to our state representatives.

Mr. Freestone: Isn't this always a year in arrears though?

Mr. Schulz: Yes it is, but the pot of money is set during the current budget. So while it is paid a year in arrears, if they do not appropriate enough money or if they want to fix the pot and move it for funding to other initiatives, then we could receive a reduced amount of reimbursement for the transportation subsidy.

Mr. Freestone: Let me ask a couple of questions and show that I was not born and raised in Pennsylvania. The State budget year starts when?

Mr. Schulz: The State budget year is the same as the school year, July 1-June 30.

Mr. Freestone: So, this is the year that we will see the money for that for

2006-07 so shouldn't we already have those figures?

Mr. Schulz: No, for the fund money that we receive for 2006-07 will be passed whenever they pass their 2006-07 budget. So on July 1, when that budget is set, then we will know how much money we will be receiving for 2006-07 school year.

Mr. Freestone: Let me see if I can trace the process. We are expending the money in 2005-06 that supposedly we get 70 percent of that back but it has to wait for the state to pass the budget in July '06.

Mr. Schulz: Correct.

Mr. Freestone: Thank you. Is that clear to everyone? That is one of those funky little things and I got some questions on that. It seems the state would pass that money in the current year for the current expenditures. So I really still have questions there.

Mr. Schulz: It is the same situation with the charter schools. It is just the way the State decided to do it. I cannot say why or why not.

Mr. Schwanke: If I understand you right now, the projection here is actually based on the fuel you reported consuming in the prior year?

Mr. Schulz: Yes that is correct.

Mr. Freestone: It has to be an estimate, because we are paid one year in arrears, so it is 2005-06 that actually is projecting into 2006-07.

Mr. Schulz: That is correct, and it is not only the fuel but contracts for vans, bus contracts, the whole transportation package. Not everything is reimbursed, just the expense of providing the transportation.

Mr. Freestone: Jack also wanted to know how the special education revenues were determined, 7271?

Mr. Schulz: That is a state allocation. In the past, a lot of our allocations were based on the number of students that we had in the district and that we were providing services for. From what I have been told through professional organizations, now from the whole "hold harmless rule" we are not really being funded on the same level as a per student allocation and for shrinking districts like ours. It is very hard to do that to see the state formula before us and to walk through it.

Mr. Freestone: Maybe that is something we can cover at the next Finance Committee meeting.

- 1.) Motion: Mr. Freestone made a motion seconded by Thomas Knapp that the Board of School Directors directs the administration to answer questions about revenue and updates and estimated revenues by January 25, 2006, and put them on BoardDocs. (The intent is to have all of these answers in a formal, written way and not just at the meeting. We want all of the answers in writing. And also to update the estimated revenues predicted to include the 04-05 actual amounts.)

Public Comment:

Denny Bonace

Warren, PA

These revenues still include a
considerable tax increase

considerable tax increase.

Claudia Solinko

WCEA President

Why does the Carl Perkins
Revenue listed as zero?

Also the Board would like a look over the next nine days at whether this
backlog of 260 assessments would have any impact from the
commissioners' point of view and for that to be part of the update.

Roll Call Vote:

Voting Yes: Mrs. Nuttall, Mr. Schwanke, Mr. Dunham, Mr. Freestone,
Mr. Knapp, Mr. Lyle

Mrs. Nuttall gave the meeting dates to Mr. Davis for the upcoming meetings.

Jan. 19, 2006	Budget Ad Hoc Committee	Curwen Building
Jan. 26, 2006	Budget Ad Hoc Committee	Curwen Building
Jan. 30, 2006	Personnel/ Athl, 6:00 p.m.	Curwen Building
Jan. 30, 2006	CIT follows Pers/ Athl	Curwen Building
Jan. 31, 2006	Physical Plant 6:00 p.m.	Curwen Building
Jan. 31, 2006	Finance follows Phys. Plant	Curwen Building

- 2.) Motion: Mr. Freestone made a motion seconded by John Schwanke that the
expenditures questions be sent to Mr. Freestone who will forward them to
Mr. Schulz, and that they appear on BoardDocs by January 25, 2006.

There was no public comment.

The result of the motion was unanimous in favor of the motion.

- 3.) Motion: Mr. Freestone made a motion seconded by Thomas Knapp to
adjourn the meeting at 8:35 p.m.

The result of the motion was unanimous in favor of the motion.

Respectfully Submitted,

Ruth A. Huck, Board Secretary

Jacqueline L. Nuttall, Board President