03-30-30 BOARD MEETING AND BUDGET WORKSHOP
3/30/2020 [9:00AM-11:30AM] @ Virtual - Zoom Meeting

- 03-30-30 MEETING/WORKSHOP AGENDA -

1. ROLL CALL & EXECUTIVE SESSION ANNOUNCEMENT - MR. BLEVINS
   - An Executive Session was held Thursday evening, March 19th, to discuss legal and personnel matters related to the Governor's declaration.
   - An Executive Session will follow this meeting to discuss legal and personnel matters.

Minutes

The brief business meeting and budget workshop of the Dallastown Area Board of School Directors was convened through Zoom, an online meeting platform, on Monday, March 30, 2020. Board President Ronald J. Blevins called the meeting to order at 9:00 a.m.

This was the school board's first "virtual" meeting during the Covid-19 / Coronavirus Pandemic in adherence to Governor Wolf's mandate for school closures and the stay-at-home order. This meeting was originally scheduled to be a full-day team workshop; however, a brief meeting was advertised in order to take action on the suspension of certain policies during this unprecedented time.

ATTENDEES:

Board Members: Steven C. Bentzel, Ronald J. Blevins, John E. Hartman, Sue A. Heistand, Sarah B. Hostler, William A. Lytle, Anthony J. Pantano, Hilary S. Trout and Scott A. Wingard

Solicitor: Fox Rothschild Attorney Jeff Sultanik was unable to attend.

Board Secretary: Lisa M. Kirby

Student Representative: Dylan Rexroth was not expected to attend this meeting.

Administrators: Dr. Greg Anderson, Denise Blackwell, Marcus Bouchillon, Dr. Chad Bumsted, Dr. Joshua Doll, Keith Dyke, Dr. Stephanie Ferree, Troy Fisher, Brian Fitz, Brett Frey, Dr. Erin Heffler, Jim Heilman, Dr. Kelly Kessler, Amy Kostoff, Chris Martin, Chip Patterson, Dr. Kevin Peters, Kurt Rohrbaugh, Dr. Wayne Senft, Brian Smith, Tom Stauffer, Barb Terroso, Miranda Weaver and Misty Wilson.

Other Dallastown Area School District Staff/Citizens: Ellen Connelly, Mark Young, "Tyler" and "Carey"

News Media: York Daily Record - N/A, York Dispatch - N/A

2. APPROVAL OF BOARD AGENDA - MR. BLEVINS

Minutes

Mr. Hartman moved and Mrs. Heistand seconded approval of the Agenda as presented.

By roll call vote, the motion passed unanimously...

Steven C. Bentzel, Ronald J. Blevins, John E. Hartman, Sue A. Heistand, Sarah B. Hostler, William A. Lytle, Anthony J. Pantano, Hilary S. Trout and Scott A. Wingard

3. COMMENTS FROM THE PUBLIC - MR. BLEVINS

The School Board and Administration welcome comments from the public.
NOTE: When addressing the school board, please state your name and address for the record.

- Specific comments for agenda items may be addressed.
- Comments for non-agenda items may be brought to the Board’s attention.
- Individual comments should be limited to less than three minutes.
- When several individuals wish to address the same topic, total comment time should be limited to less than fifteen minutes per topic.
- At the School Board President’s discretion, additional time may be allowed or deferred until the end of the meeting in order to move the meeting forward.

Minutes
There were no comments.

4. ACTION ITEM RELATED TO SUSPENSION OF CERTAIN POLICIES - MR. BLEVINS

"Motion to suspend all policies of the Board and administrative regulations to the following extent: (a) those policies that would prevent the use of a virtual platform to conduct public meetings of the Board; (b) those policies to the extent that they are inconsistent with what is now required by law; (c) those policies that may interfere with the health and safety of students or employees; or (d) those policies that would unnecessarily impede compliance with what is required by law."

Minutes
Mr. Blevins explained the need to suspend certain policies during this unprecedented time and that the motion was provided by our solicitor.

Mr. Hartman moved and Mr. Bentzel seconded approval of the motion as stated above.

By roll call vote, the motion passed unanimously...

Steven C. Bentzel, Ronald J. Blevins, John E. Hartman, Sue A. Heistand, Sarah B. Hostler, William A. Lytle, Anthony J. Pantano, Hilary S. Trout and Scott A. Wingard

5. WORKSHOP: PRELIMINARY REVIEW OF THE 2020-21 BUDGET - DR. DOLL / MR. ROHRBAUGH

Notes:

- Approval of the 2020-21 Proposed Final Budget is scheduled for the 4/30/20 Board Meeting.
- After public review, the 2020-21 Final Budget will be approved at the 6/11/20 Board Meeting.

Minutes
Mr. Blevins mentioned this would be a preliminary look and cautioned everyone on the discussion of matters related to contract negotiations.

Dr. Doll’s presentation first summarized the Finance Committee updates and discussions between November 2019 and March 2020, which included major budget drivers and staffing considerations. It was noted that our revenue and expenditure projections may change dramatically during this uncertain economic environment and that the district will need to determine how to balance its educational philosophy and fiscal viability.

Key points from initial board discussion:

- Having a budgetary reserve should probably be considered due to the number of unknowns.
- Mr. Rohrbaugh will reach out to the solicitor to determine the ramifications if the district would not pass a budget by June 30th.
- It would not be unusual for us to have to pass a budget before seeing the state’s final budget.
• The increased costs for YCST are due to the increased number of students not an increased cost per student. This is likely a result of our pathways initiative; however, we may need to consider a cap on the number of enrollments in light of budgetary concerns.

Budgetary Drivers

Mr. Rohrbaugh explained several graphs over a number of school years. Here are the key points from discussion:

Expenditures

• Special Education -
  o While our enrollments and costs continue to rise, funding/subsidies have remained stagnant.
  o The graph showed our direct costs per PDE reporting requirements; however, the AFR includes indirect costs such as transportation, nursing, legal services, etc. This could be a topic for discussion at a future Finance Committee meeting.

• Health Care Costs -
  o This is a major topic for contract negotiations.
  o The rise in costs is not a result of going self-insured; it is due to a rise in claims.
  o A delay in elective medical procedures may be positive for this year’s budget but could impact next year.

• Alternative Education Costs -
  o These student placements are due to behavioral issues, such as expulsions, court mandates, etc.
  o When appropriate, we recommend our Cyber Academy; however, it is still the parent’s choice.
  o If the school closure is extended, there would be no new cases so final costs may be lower than current projections. Based on the latest legislation, we must continue to pay tuition based on the pre-coronavirus enrollment.

• Cyber & Charter School Tuition -
  o Dr. Bumsted has been promoting our program.
  o More parents may choose to continue with the cyber approach after the pandemic clears.

• Transportation -
  o Since we offer this service, we must provide it to all and that includes homeless students, which are starting to drive costs.
  o Our current contract with Reliance has allowed us to stop making payments. This reduces our costs in the 2019-20 budget year, perhaps as much as $1.5M; however, that means that our subsidy in the 2020-21 budget year will be reduced because it’s based on what was spent the prior year. We would normally receive 47% so our revenue would be reduced by about $700,000 without a legislative change.
  o We would be best served by transferring this year’s savings to Fund Balance.
  o Many districts either have a contract that requires them to continue to make a minimum payment to their contractors or they provide their own buses so there may not be a big legislative push that would help our district. Per our contract, we are not paying Reliance and this is the same for Central York, West York and York Suburban. Mr. Blevins affirmed that the school board has empowered the superintendent to be judicious in not paying for a service that is not being provided.

• YCST -
  o We increased our student enrollment due to York City’s decreased participation.
  o We spend about $12,500 per student and may need to cap enrollment at some point.

Revenue

• Real Estate Tax -
  o York Co. Commissioners will be discussing this topic in regards to encouraging payment.
  o Bills in July and are not turned over for collection until December of the next year.
  o Recession collections were higher in 2008.

• Interim Real Estate Tax (bills issued after July 1, such as an addition or new home) -
  o This fluctuates greatly from year to year and is difficult to budget.
  o The County is waiting to determine tax liability until the WellSpan construction is done, which is expected to be the end of this calendar year.
  o The volatility is likely due to larger properties coming on or going off of the tax rolls.

• Delinquent Real Estate Tax (turned over for collection) -
  o Mr. Blevins noted the budgeted amount is below our average collections.

2020-21 Budget Projections
• Expenditures by Category:
  o Salaries, Benefits (PSERS gross and healthcare, for example), Purchased Services, Property, Supplies, and Other Objects were shown by dollar amounts and by percentage.
  o Our graph is consistent with many districts.
• Expenditures by Function (1100 - 5000):
  o We are trying to tighten the budget which means there is no buffer.
  o He explained how the bond fund payment affects a lower budget for 2020-21 compared to the 2019-20 actual.
• Revenue by Source:
  o Local, State, Federal and Other in dollar figures, which includes transportation, regular and special education subsidies and Title 1 and II.
  o The "Other" category is mostly from the Line of Credit for the Chromebooks.
• Revenue by Function (6100 - 9000):
  o With the uncertain economy will need to monitor Earned Income Tax and Earnings on Investments.
  o The 9000 function will be lower in 2020-21 due to the reduced bond payment.
  o Funding is not matching our growth.
• State Funding Estimates:
  o This showed the district's budget projection versus the governor's proposal.
  o Board members were in agreement with not including the additional $500,000 in the budget until we have clarity from the state.

Balancing the Budget

The presentation then looked at a combination of a reduction of expenditures and/or Fund Balance utilization and/or increased Real Estate Taxes.

Dr. Doll summarized the areas that Administration would not want to consider (such as cutting building budgets further and not replacing retirees/resignations) and those that they've already considered (such as eliminating most of the new positions and expenditure reductions/delayed purchases). Administration also included Tier 1 and 2 lists of potential addition cuts which included the impact on departments and programs/students. The total of both tiers could yield a savings of approximately $1.8M with $225k of Fund Balance utilization.

Our Fund Balance history since 2005-06 was also reviewed. Mr. Hartman pointed out that our total budget back then was lower so the current balance is more significant in light of the size of the current budget. Dr. Doll pointed out that if we deplete it further, we'll have to be strategic in building it back up.

The generation of additional revenue through taxation was also discussed with a comparative look at York County millage rates since 2010-11 along with what our Act 1 increase of 3.3% would yield. Mr. Rohrbaugh anticipates that there could be a drop in the Index to as low as 1.5% for the next budget year in light of the economic forecast.

Unknown Variables

• Economy - The impact of the coronavirus on revenue and expenditures.
• State Funding
• Enrollment:
  o We are one of the fastest growing districts; our 10-year enrollment is anticipated to increase over the next four to five years and we expect increases in special education students.
  o We are also monitoring Cyber (private vs. DASD) and YCST (in light of our Pathways initiatives).
• Negotiations

Board Discussion: What is Your Threshold Related to Balancing the Budget?

Key points following a lengthy discussion:

• All stakeholders across the district will likely feel some level of 'pain' due to these unprecedented times.
• Fund Balance is already dangerously low (below 8%) and should be protected with the uncertainty moving forward and to protect future borrowing needs.
• Tax Increase - It was not eliminated from the list of considerations.
• Program Cuts - Would there be other options such as support from PTO's and Booster Clubs and/or families paying for activity buses, for example?
• Staff Cuts - Administration should be creative with the redeployment of current resources in lieu of replacing retirees and resignations.
Questions are due to Mr. Hartman by April 9th so he can consolidate them then meet with Mr. Rohrbaugh prior to the 4/16 Finance Committee Meeting.

Dr. Doll summarized that he is to find a balanced approach for administration's recommendation in April.

6. CALENDAR OF BOARD EVENTS - MR. BLEVINS

Most meetings are open to the public and located at 700 New School Lane, Dallastown, PA 17313. Closed meetings are noted with an asterisk (*).

<table>
<thead>
<tr>
<th>DATE</th>
<th>TIME</th>
<th>MEETING/EVENT</th>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday, March 30</td>
<td>11:30 a.m. - 12:00 p.m.</td>
<td>Executive Session* (Approx. time shown)</td>
<td>Virtual by Zoom</td>
</tr>
<tr>
<td>Thursday, April 16</td>
<td>6:00 p.m.</td>
<td>Human Resources Committee*</td>
<td>AD Board Room</td>
</tr>
<tr>
<td></td>
<td>7:00 p.m.</td>
<td>Finance Committee</td>
<td>HS LGI Room</td>
</tr>
<tr>
<td></td>
<td></td>
<td>followed by Building &amp; Capital Projects Committee</td>
<td>HS LGI Room</td>
</tr>
<tr>
<td>Thursday, April 30</td>
<td>6:30-7:15 p.m.</td>
<td>Board Workshop: 2020-21 Budget</td>
<td>HS LGI Room</td>
</tr>
<tr>
<td>Thursday, April 30</td>
<td>7:30 p.m.</td>
<td>Board Meeting (Approval of 2020-21 Proposed Final Budget)</td>
<td>HS LGI Room</td>
</tr>
</tbody>
</table>

Minutes
Mr. Blevins referred to the calendar, noting that the April meetings may have to be done virtually if Governor Wolf extends the school closure beyond Monday, April 13th.

7. COMMENTS FROM THE PUBLIC - MR. BLEVINS

The School Board and Administration welcome comments from the public.

NOTE: When addressing the school board, please state your name and address for the record.

- Any additional comments may be brought to the School Board’s attention.
- Individual comments should be brief and on point (limited to less than three minutes).
- When several individuals wish to address the same topic, total comment time should be limited to less than fifteen minutes per topic.

Minutes
There were no comments.

8. ADJOURNMENT TO EXECUTIVE SESSION - MR. BLEVINS

Minutes
The meeting adjourned at 11:40 a.m. for a fifteen-minute break, followed by an Executive Session for legal and personnel matters.

Respectfully submitted,

Lisa M. Kirby, Board Secretary