



BIG SPRING SCHOOL DISTRICT

Newville, Pennsylvania

FINANCE COMMITTEE MEETING MINUTES

MARCH 18, 2024

The Big Spring School District is an equal opportunity education institution and will not discriminate on the basis of race, color, national origin, sex, age, religion, and disability in its activities, programs, or employment practices as required by Title VI, Title IX, and Section 504. For information regarding civil rights or grievance procedures, or for information regarding services, activities, and facilities that are accessible to and usable by handicapped persons, contact the Superintendent of Schools, Title IX and section 504 coordinator, 45 Mt. Rock Road, Newville, PA 17241, at (717) 776-2412.

1. Call to Order - President Wardle

The Finance Committee for the Big Spring School District met in the Big Spring Middle School Auditorium at 5:30 pm with eight (8) Board of School Directors present: John Wardle, President; Michael Hippensteel, Vice-President; Frank Myers, Treasurer; Julie Boothe, Secretary; Seth Cornman, David Fisher, Kenneth Fisher, and Lisa Shade.

Absent: Robert Over

Others in attendance: Nicholas Guarente, Superintendent; Nadine Sanders, Assistant Superintendent; Michael Statler, Business Manager; Nicole Donato, Director of Curriculum & Instruction; Rob Krepps, Director of Technology; Darin Baughman, Technology, and Donna Minnich, Board Minutes

2. Presentation:

2.a. Fiscal Update - Mike Statler, Business Manager

Fiscal 2024-25 Budget

Where to find Budget Info?

Basic Education Funding – Governor’s Budget

Basic Education Formula Snapshot (New \$\$)

Big Spring BEF FY24

Dr. Guarente pointed out the Governor’s Budget is being challenged in the courts for fair funding and is therefore subject to change. President Wardle said our amount to spend per student is far less than an area like Philadelphia. Mrs. Boothe asked when the state budget becomes final and Dr. Guarente said any time between September and February but usually by September.

Special Education Funding – Governor’s Budget

Cyber Charter Funding – Governor’s Proposal

Act 1 Index

Big Spring General Fund Balance

Big Spring Fund Balance Comparison

Earned Income Tax

Uncollected Real Estate Tax History

Mrs. Boothe asked if the unpaid dollar amounts for real estate are similar to what we’ve seen in the past and Mr. Statler said the amount and number of bills stayed relatively flat in year to year comparisons.

PSERS

Mrs. Boothe asked the contributing factors in reduction or increase of PSERS amounts and Mr. Statler said reductions happen as people collecting pass away and investments cause ups and downs based on the market. Mr. Wardle stated PSERS tells us what the district owes to them and Mr. Statler said that is correct we have no control over the amounts and stated the rates are state wide and not unique to Big Spring School District.

Summary of Debt

Gross Debt Service

Professional Development

During the presentation on Professional Development, Mrs. Boothe questioned hotel expenses on procurement cards and asked what policy we have for limitations on reimbursement and Mr. Statler responded we have no dollar amount caps in the policy. Dr. Guarente stated he approves most of the expenses and said he takes into consideration the gas mileage reimbursement and weighs the benefit of staying overnight when evening trainings are offered and tries to be cost sensitive when deciding if employees will stay over or drive home. Dr. Guarente said recently some employees spent the night in order to participate in 6 to 9 pm training for science which cost \$60 above the \$135 gas mileage reimbursement and said they try to keep meal reimbursements at \$20. Mrs. Shade asked why there were 3 hotel charges and Dr. Guarente stated 2 rooms were double booked and a third room was reserved because gender didn’t allow for room sharing. Mrs. Shade asked how much the per mile gas reimbursement is and Mr. Statler responded it is .67 a mile. Mr. Hippensteel asked who sets the reimbursement rate and Mr. Statler stated the IRS.

Health Insurance – Historical

Mr. Wardle said we are basically self-insured and asked the total cost for health insurance and Mr. Statler responded in the ballpark of 4 million dollars. Mr. Myers asked if the wellness plan helps our rate and Mr. Statler said healthier is better for us and said the stipend to employees and wellness activities are reimbursed by Capital Blue. Dr. Guarente said the wellness policy indirectly helps our costs.

Health Insurance YTD (January)

Department Budgets

Mr. Wardle asked if ESSER dollars need to be spent by the end of 2025 and Mr. Statler said they will be spent by the end of the 2024 year with no ESSER dollars in the 2024-2025 budget.

Personnel Count

FTE Change versus Enrollment Change

Mrs. Boothe said we are not comparing numbers but seeing the change year over year and Mr. Statler said it is the percentage of change year over year. Mr. Wardle said nothing in these numbers indicates the number students needing special services and special needs costs are increasing with a quarter of our students needing extra support to be educated. Mrs. Boothe asked apples to apples are other districts seeing special ed costs increase for special services? Dr. Guarente said yes and said outside placements are booming with business and Big Spring is definitely not the only one experiencing this. He said neighboring districts have seen increases in autistic support jump 100%. Mr. Wardle stated we are obligated to provide services to students living in our district and Dr. Guarente confirmed that is correct. Dr. Guarente said if needs can't be met within our consortium, schools send students across the state to receive services. Dr. Guarente said families are aware of districts who serve special needs students well and seek housing in those areas.

Budget Assumptions

Expenditures by Sub Function (Department)

Expenditures by Major Object (Subject)

Mr. Wardle said 76% of the budget is already prescribed based on contracts and established costs and Mr. Statler agreed and said including the bond takes it to over 80% of the budget which is fixed.

ESCO Update (unofficial)

Mr. Wardle said we will hopefully see even more energy savings by year-end and Mr. Statler said he is hoping to see 75 to 80,000 a year in savings. Mrs. Shade said over 20 years we should be seeing approximately 14 million dollars in savings based on what she read and Dr Guarente stated a large portion of the ESCO is realized over a 20 year period. Mr. Statler said Mr. Drawbaugh spent a lot of money in recent years keeping things running that won't be a cost or concern for the next 15 years since we've made equipment upgrades.

500 Object – Trans, Insurance, Comms & Tuition

2.b. FY25 Revenues - Mike Statler, Business Manager

Revenues

Mr. Wardle said if we don't get the state dollars it will put more pressure on local revenue and Mr. Statler said that is correct.

Historical Data

Budget Timeline

Mr. Wardle said a million dollars will be taken out of our reserve funds for this year and next year. Mr. Statler said \$506,890 will be coming out of capital projects reserve fund.

Mrs. Shade asked why there are large, unexpected revenues and a 4.2 million dollar capital reserve transfer late last fall on the 2022/2023 bottom figure and said this figure looks good for the bottom line but this transfer was not accounted for in the original budget with nothing purchased and no money spent simply moving money from one account to another. Mrs. Shade believes this is misleading because we didn't spend 62 million dollars last year, we spent 58 million dollars and transferred funds, which she believes sways what we're looking at. Mr. Statler said the strategy behind the transfer is to put money into future projects so we're not affecting the general fund. Mr. Statler said we're looking at the general fund but he can add a line to show the transfer. Mr. Statler restated the strategy is to have money in the capital projects fund so we don't have to go to the taxpayers and the general fund to fund those projects. Mrs. Boothe said we plan for an amount and could also plan for the capital reserve. She said sometimes 5 months retroactively we transfer funds and Mr. Statler said it is done retroactively because it is not possible to give a dollar amount until closer to the end of our audit so we know what our revenues and expenditures are going to be.

2.c. FY25 Expenditures - Mike Statler, Business Manager

Expenditures

Mrs. Boothe asked what the actual repercussions are for being over 8% and questioned the wording of the November transfer. Mr. Statler said during budget, we are asked by the state to make sure we are under 8% of unassigned fund balance and said the state will not allow him to submit our budget if we're above 8%. He said Big Spring is more proactive and believes addresses this the proper way and not just during budgeting.

Mrs. Shade asked if the unexpected revenue dollars are included in the budget and said there has been a significant amount of unexpected revenue dollars in recent years. Mr. Statler said he bases all revenue on data we already have and said 2 months of EIT data are missing when the numbers are compiled. He said for this year, investments are going better than figured and we're almost a million dollars in investments right now which is higher than the \$350,000 figured. He said as far as real estate taxes the past couple years, the numbers have been close. Mr. Statler said we use flat figures for the state funding but in the past few years we have received more than expected, including ESSER dollars. Mr. Wardle said we have to consider the warehouses coming online and said we couldn't collect money until the buildings were occupied. He also said we're not expecting any new warehouses presently. Mr. Hippensteel said if we have revenue that we haven't accounted for, we shouldn't attach expenses based on the budget. Mr. Statler said even if there was another warehouse coming up next year, we work with current data and interest rates. He said when the market changes, it goes both ways. Mr. Statler restated we flat fund the state so we underbudget based on projected numbers with expenses to offset so we're financially prepared for how it unfolds.

Mrs. Boothe requested staffing numbers for a clearer picture of how we compare to other districts and expressed concern for the amount we are spending compared to the students we have.

3. Other Items – Nothing Offered

4. Adjournment

Motion to adjourn the meeting by Mrs. Boothe was seconded by Mr. Myers

Voting Yes: Boothe, Cornman, D. Fisher, K. Fisher, Hippensteel, Myers, Shade, and Wardle

Motion Carried unanimously. 8-0

Meeting adjourned at **6:56 pm**

