

**Minutes of the  
KUTZTOWN AREA SCHOOL DISTRICT  
Board of Directors Meeting  
Monday, June 1, 2020, 7:30 p.m.**

The Board of Directors of Kutztown Area School District met for a workshop board meeting on Monday, June 1, 2020, at 7:30 p.m., remotely, pursuant to due notice to board members and the public.

**Present** Randy Burch, Caecilia Holt, Michael Hess, Karl Nolte, Eric Johnson, Al Darion, Dennis Ritter, Charles Shurr

**Absent** James Shrawder

**Also Present** Christian Temchatin, David Miller, Rikki DeVough, Steven Leever, Diane Quinn, Barry Flicker, Ed Yapsuga, Ed Myers, Jeff Huffert, Kristin Haring

**Call to Order** The meeting was called to order at 7:41 p.m. by President Nolte.

**Welcome** President Nolte opened the meeting with a moment of silence and Pledge of Allegiance to the flag. He requested that anyone wishing to speak on an agenda item please use the raise his/her hand feature to be recognized. He indicated that this meeting was being recorded and there was an Executive Session prior to the meeting for the purpose of Personnel and Legal content.

**Suspension of Policy 006.01** Motion made by Randy Burch, seconded by Charles Shurr, per Board Policy 003, Functions, approve to suspend the application of Board Policy 006.1, Attendance at Meetings Via Electronic Communications, and authorize use of a virtual meeting platform for the conduct of the current and future public Board meetings, which has been and shall be duly advertised and provide for required public participation in accordance with the Pennsylvania Sunshine Act, until further determination by a majority vote of the Board.

**Roll call vote: Yes 8 No 0 Absent 1 (Shrawder)**  
**Motion carried.**

**Approval of Minutes** Motion made by Dennis Ritter, seconded by Caecilia Holt, to approve the Minutes of the May 18, 2020 School Board Meeting.

**Roll call vote: Yes 8 No 0 Absent 1 (Shrawder)**  
**Motion carried.**

**Superintendent's Report** "Cougars and the Community Read"  
Student Athlete Signing  
Third Grade Wax Museum

**Personnel** Motion made by Michael Hess, seconded by Al Darion, to approve the following personnel items:

1. The acceptance of the resignation of Jennifer Goodwin as Special Education Teacher at Kutztown Elementary School, effective the end of the 2019-2020 school year.
2. The acceptance of the resignation of Jodi Aston as Cafeteria Aide at Kutztown Area Middle School, effective the final student day of the 2019-2020 school year.
3. The approval of Molly Cook as an Extended School Year teacher for the 2020 program at the rate of \$27.00 per hour.
4. The approval of Jason Kraft as an Extended School Year teacher for the 2020 program at the rate of \$27.00 per hour.
5. The approval of Nicole DeLong as Extended School Year paraeducator for the 2020 program at the rate of \$14.00 per hour.
6. The approval of the coaches, advisors, and stipends for the 2020-2021 school year per the attached.

**All Personnel are Approved Pending the District's Receipt of All Mandated Credentials**

**Roll call vote:**        **Yes 7**                    **No 0**                    **NA 1 (Nolte)**        **Absent 1 (Shrawder)**  
**Motion carried.**

**Policies**                    Motion made by Randy Burch, seconded by Charles Shurr, to approve the first reading of the following policies:

1. Policy 233 - Suspension and Expulsion
2. Policy 707 - Use of School Facilities
3. Policy 709 - Building Security

**Roll call vote:**        **Yes 8**                    **No 0**    **Absent 1 (Shrawder)**  
**Motion carried.**

**Spec. Ed. Training Module**        Motion made by Randy Burch, seconded by Michael Hess, to approve a one year subscription for Special Education and trauma instruction with Vector Solutions K-12 Education Software at a cost of \$1,896.30 for the term of July 1, 2020 through June 30, 2021, per the attached.

**Roll call vote:**        **Yes 8**                    **No 0**    **Absent 1 (Shrawder)**  
**Motion carried.**

**Homestead/ Farmstead**                    Motion made by Caecilia Holt, seconded by Al Darion, to approve the 2020-2021 Homestead and Farmstead Resolution.

**Roll call vote:**        **Yes 8**                    **No 0**    **Absent 1 (Shrawder)**  
**Motion carried.**

**Transportation Contract**                    Motion made by Dennis Ritter, seconded by Eric Johnson, to approve the renegotiated Transportation Contract with Eshelman Transportation

**Roll call vote:**        **Yes 8**                    **No 0**    **Absent 1 (Shrawder)**  
**Motion carried.**

**Comment**                    Al Darion summarized a budget line write-up as attached.

**Adjournment**                    Motion made by Eric Johnson, seconded by Michael Hess, to adjourn the meeting at 8:44 p.m.  
**Motion carried unanimously.**

Respectfully Submitted by,

Rikki L. DeVough  
School Board Secretary

## **BUDGET CONCERNS by Dr. Alan Darion**

As I crunched through the numbers for next year's budget, I have become increasingly concerned about the extent to which we are relying on what is essentially fund balance in the 20 – 21 budget. The danger of doing so, in light of the Act One index limitation, should be obvious.

We are making up an ~~\$817,382~~ \$734,638 shortfall, with, for want of better words, I will describe as “once-and-done” funds.

The \$100,000 use of ACCESS funds is greater than the annual revenue we receive from it.

Digging into the 19 – 20 surplus of \$588,831 shows the following:

- The difference between budgeted salary and benefits last year and their actual cost due to unanticipated retirements, was \$431,577. Even if another eight professional employees were to retire next year, we would soon run out of senior staff. This is not ongoing savings.
- Actual transportation costs were \$143,185 less than budgeted as were \$61,000 in substitute salaries. Unless we again close down schools early, those savings will not be repeated.
- There is a \$9,500 savings in advertising costs that will also not be ongoing.

These all total to \$645,282, which is \$56,431 MORE than the surplus, which indicates that other expenses were a bit over budget.

The proposed budget includes a built in shortfall in of ~~\$128,514~~ \$45,807 which would also have to be taken out of fund balance.

If we receive funds from the CARES Act, this is not an ongoing revenue stream.

It is true that over the years we have usually had a “surplus,” or at least a smaller deficit than anticipated in our budget. Looking into how this happened over the last few years in more detail, however, shows the following.

- The difference between budgeted and actual expenditure is somewhat erratic. Some years over, and some under. I would not want to count on these values year-after-year.
- More consistent has been receiving more revenue than anticipated. In part because of what I believe is the correct, conservative approach that Dave has taken with these numbers. At first glance the excess income seems to be consistently around \$500,000, and in fact, in the 16 – 17 fiscal year it greatly exceeded that figure. But there are some caveats. Much of the 16 – 17 excess could be attributed to the sale of the Albany building, and the increase in Earned Income Tax revenue due to greater employment. I do not believe we can count on an ongoing increase in valuation, or earned income in the immediate future. Of greater concern to me is that almost all of the excess income in 18 – 19 was due to the 2.5% increase in property valuation. (I have not looked at 19 – 20 numbers because of the confusion caused by the virus).

This does not mean we should not use some of this money. Given our balance, the \$100,000 from ACCESS funds is not unreasonable. I would use the CARES Act money to make up for virus related issues such as the decrease in EIT income which will hopefully not be ongoing. The same can be said for income from the Property Transfer Tax. Making up for the increased default on Property Taxes would also be a reasonable use of this money.

The 19 – 20 surplus should be used with the same care with which we used our fund balance in previous years. It should be used mostly for once-and-done expenses such as capital improvements, or funneled back into the budget incrementally over several years.

Exact amounts will need to be worked out, but I believe passing a budget this year without a tax increase to make up part of the shortfall, is extremely irresponsible. This is especially true given our lack of knowledge as to what having school open next year might entail.

I appreciate the economic pain the virus has caused many people. But even a 2.6 % increase in taxes should not add appreciably to that pain. An owner of the average \$100,000 valued property would see an increase of about \$77. Anyone who can afford their current \$3,000 tax bill can afford a \$3,077 tax bill. And those who cannot afford to pay the \$3,077, certainly could not afford to pay \$3,000.

If we truly want to help those in financial distress I would propose that at the least we extend the period for which taxes can be paid without penalty for those in need. This would be especially helpful for those waiting for unemployment benefits, or small business assistance funds, or just getting back to work. In fact, if an equitable and legal way to do so can be established, using those surplus funds to give a tax rebate to those truly in need, would ease far more of the pain than distributing \$77 per \$100,000 valuation among all tax payers.