

MINUTES
Committee of the Whole
March 4, 2002

The Penn Manor School Board met in Executive Session for the purpose of discussing personnel matters at 6:15 p.m. on the above cited date in the Board Room of the Manor Middle School. They adjourned the Executive Session and met as a Committee of the Whole at 7:10 p.m. Present were Mr. Anderson, Dr. Frerichs, Mr. H. Thomas Herr, Mr. C. Willis Herr, Mr. Kline, Mr. Kreider, Mr. Lyon, Mrs. Wert, and Mrs. Withum. Present from the administrative staff were Mr. Stewart, Mrs. Griffis, and Mr. Skrocki. Dr. Campbell was absent due to illness. Also in attendance were Millersville University students, Penn Manor residents, Mr. Charlie Reisinger, Mr. Shawn Beard, and Mrs. Dolores Warfel.

Mr. Willis Herr asked if there were any Citizen's Comments. There were none at this time.

Mr. Willis Herr asked the committee whether there were any additions or corrections to the Minutes of the February 11, 2002, Committee of the Whole Meeting. Hearing none, on a motion by Mr. Anderson, a second by Mr. Thomas Herr, and a unanimous voice vote, the minutes were approved as printed.

Mr. Charlie Reisinger, Technology Director, reviewed steps taken to date to upgrade technology in the district such as LetterGrade, the change from ClarisWorks to Microsoft Office in grades 7 and 8, a new e-mail system for the district, the Follet Electronic Card Catalog, purchase of 4 ibooks for each elementary building, and a high school computer program which gets students involved in building PC's at a cost savings to the district. Mr. Reisinger introduced Mr. Shawn Beard who played a major role in putting together the high school computer program. He thanked Mr. Beard for his efforts. Mr. Reisinger reviewed some of the technology related items currently happening in the district such as: 1)web based course requests which is an extension of LetterGrade and is an immediate way of tracking and doing course requests, 2)Act 48 web data page which offers professional development course tracking on the web, 3)evening adult education classes being taught by Mrs. Shelby Testerman a member of the Technolo-

gy Team, and 4) Comet Net Extranet Site which is a new service provided for employees. He also reviewed technology initiatives for 2002/2003 such as: 1) bringing Microsoft Office to all schools, 2) high school lab improvements, 3) purchase of additional ibooks for the elementary buildings, 4) wireless Wide Area Network upgrade which would allow the district to increase its network capabilities and will support the telephone system at Letort Elementary. Mr. Reisinger reviewed an ibook pilot program which is seen as a way to get professional technology development into the hands of teachers. He stated that two elementary teachers will be given an ibook and software. They will be required to give two hours of professional development time per week. During this time they will learn about the making of digital videos, be introduced to Web Quest, have free internet access, and be taught how to expand their classroom web pages. The teachers will be trained to a level where they can provide training to other teachers. Mrs. Griffis stated that the goal is to get technology into the hands of students. Mr. Reisinger then reviewed the Data Processing budget. He stated that this budget of \$67,815 is 2.2% less than last year's budget. This decrease in the budget is brought about by increased efficiency in the use of technology by employees and staff and not having to pay on the AS400 lease. Next year, however, the AS400 will need to be replaced at an approximate cost of \$50,000. Mr. Reisinger reviewed the Technology Budget. He stated that there will be a \$325,000 budget which amounts to a 1.1% increase over last year. Major parts of the Technology Budget are internet connectivity and WAN, computer and network hardware, and software, supplies, and training. Mr. Reisinger said technology costs are decreased by 1) high school computer builds, 2) wireless wide area network, 3) LetterGrade and other agreements, 4) technology staff expertise, and 5) aggressive vendor negotiations. Mr. Reisinger stated that Penn Manor does not out source any network engineering due to the technical expertise of the Technology Team. Awards received last year were reviewed. Mr. Reisinger then reviewed the Comet Net site (comet.pennmanor.net) which is an internet web site accessible from home. He said he would provide board members with a password for access to this site in the near future. Mr. Kline asked if we utilize the Career and Technology Center for technology training. Mr. Reisinger said we do when feasible but their system is different than Penn Manor's so there is not a great deal of connectivity. Mrs. Withum asked if Mr. Reisinger would be willing to make a presentation at the PSBA conference in the fall regarding Penn Manor technology. He said he would be willing to do so. Mr. Reisinger informed the board

that the individuals on the Penn Manor Technology Team have a lot of talent and he is very pleased with them. Mr. Kline asked how our technology budget compares to technology budgets in similar schools. Mr. Skrocki said it is difficult to make comparisons due to different handling of budget entries relating to technology but that Penn Manor serves more students, staff, and computers with less technology staff members than some of the other districts. He stated that an additional technology team staff member will be requested in the upcoming budget.

Mr. Skrocki then reviewed a letter from Moore Engineering Company dealing with the feasibility of re-using the Eshleman Elementary School boilers as part of the Martic Elementary School project. This information was obtained in response to a question from the board regarding this topic. Moore Engineering recommended not re-using the boilers and cited several reasons for this recommendation such as their age, their insufficient capacity to heat Martic, lack of space at Martic for the boilers, and the fact that they contain some asbestos material. After discussion, board members agreed with the recommendation not to re-use the boilers. Mr. Skrocki then reviewed the reprioritized Long Range Maintenance Plan. He stated that the following three items are considered priority one items and being recommended for inclusion in the 2002/2003 budget: 1) various building improvements at Martic at a cost of \$680,700, 2) reconstruction of the upper tennis courts at the high school at a cost of \$65,000, and 3) repair of a water leak at the cafetorium foundation at Manor Middle School at a cost of \$15,000 for a total of \$760,700. Mr. Skrocki stated that all of these costs are one-time charges. Mrs. Wert asked if the builder has any responsibility for the repair of the water leak at Manor Middle School's cafetorium foundation. Mr. Skrocki said that was possible but due to the time lag involved that responsibility would be eliminated. Previous items cited as priority one items were moved to the priority two through five categories. In response to a previous question from board members Mr. Skrocki reported that the items relating to the purchase of additional cafeteria chairs and replacement parts at the high school and purchase of additional cafeteria tables and replacement parts at the high school are two separate items. He stated that there is still some excess money from the high school construction project (approximately \$150,000) but it is not being spent at this time due to the anticipated water runoff remediation costs shared with Millersville University. Payment of these costs, which have not yet been invoiced or presented to the district, would come from the excess

construction project money. Mr. Skrocki said he anticipates having a balance of between \$70,000 and \$75,000 after payment of the water runoff costs. He indicated that the board might want to look at funding some of the high school long range recommendations out of the remaining money. Mr. Skrocki stated that money for repaving the driveway area at Comet Field had been in the budget for this year but in light of the possible sale of the property no money was being spent this year for that purpose. The money allocated for this item can be applied toward next year's budget. Mr. Skrocki said a third draft of the 2002/2003 Long Range Maintenance/Capital Improvement Proposal would be presented to the board at a later date. He indicated it would be similar to the draft reviewed at this meeting.

Mr. Skrocki reviewed the district budget summary. The 2002/2003 budget to date has total revenues of \$45,069,351 and total expenditures of \$48,859,309 for a shortfall of \$3,789,958. He then reviewed three options for covering this shortfall and the proposed tax increase that would result from use of each option. Option 1 - Use no fund balance to cover the shortfall with a proposed 16% tax increase. Option 2 - Use \$1,500,000 of the \$7,567,679 fund balance to cover the shortfall with a proposed tax increase of 9.67%. Option 3 - Use \$2,000,000 of the \$7,567,679 fund balance to cover shortfall with a proposed tax increase of 7.56%. Using any of these options would allow Penn Manor's fund balance to remain within the recommended 8-12% range. Mr. Skrocki stated that the administration was recommending the use of Option 3 knowing that a major portion of these costs (\$1,200,000) would be a one time expenses. He stated that the following year this could mean another tax increase because of starting out \$800,000 in the hole due to using fund balance to balance the budget. Mr. Skrocki stated that Penn Manor is in a situation similar to that of other districts in the state as a result of facing similar circumstances - reduction in interest earnings, increase in the retirement pension, and cyber school costs. He stated that while the district is uncertain of the cyber school outcome, money must be budgeted as PDE says we must pay their bills. Mr. Skrocki said there is currently a budget figure for every item in the budget at this time.

Mr. Skrocki reviewed the fact that budget information is on the Penn Manor web page and reviewed how to access that site. The building level

budget process was reviewed beginning with the development of enrollment projections and per pupils costs for each level by central office. The building principals are then given a dollar figure which they are asked to fill in line items for and project their expenditures for these items. Mr. Skrocki stated that there was a 2% increase in building level budgets this year. No significant new programs are included in these budgets. He also stated that building level budgets represent 3% of the entire budget.

Mr. Skrocki provided background information relating to the Lancaster County Tax Collection Bureau. He stated that the bureau collects a 1% Wage Tax for employees working and living in Lancaster County. Each district has a representative and alternate on the Tax Collection Bureau Board. Mr. Skrocki is Penn Manor's representative. Mr. Skrocki said the Tax Collection Bureau Board approves the bureau's budget. Each district must then ratify this budget. The 2002/2003 Lancaster County Tax Collection Bureau Budget is \$1,701,523 - a 9.95% increase over last year. Mr. Skrocki said each district and municipality shares in this tax money with 1/2 of 1% going to each. Mr. Skrocki asked for approval to place this item on the March School Board Meeting Agenda. The item was approved for placement on the March agenda on a motion by Mr. Kline, a second by Mr. Thomas Herr, and a unanimous vote of the board.

Mr. Skrocki reviewed change orders relating to the Letort Elementary School project totaling \$34,923.30. He noted that there were two deducts included in the change orders which are a result of the work being completed by Penn Manor staff. Mr. Skrocki stated that most of the items listed have been completed with administrative approval. He reviewed previous change orders relating to the Letort project. Mr. Skrocki stated 43% of the budgeted change order amount has been approved to date. He indicated that the change order budget is expected to come in under budget. Money left over from the project can be used for other needed projects. Mr. Skrocki attributed the success of this project to good work by the architects in design, good contractors, and Mr. Nett's serving as Clerk of the Works for this project and being frequently on site and able to negotiate with contractors regarding possible change orders. Mr. Skrocki requested approval for placement of the change orders on the March School Board Meeting Agenda. Approval was granted on a motion by Mr. Kline, a second by Mr. Anderson, and a unanimous vote of the board.

Mrs. Griffis then discussed the proposed Transfer of Entities of a Life Skills Class at the High School and a proposed agreement between Penn Manor School District and Lampeter-Strasburg relating to this transfer. Mrs. Griffis reviewed the cost to bring the Life Skills Class to Penn Manor. She stated that the class would consist of 12 student slots. The expected total cost of the take over of the class would be \$90,139.70. She stated that four student slots per year would be reserved for Lampeter-Strasburg students for a three year period as a result of this agreement. Lampeter-Strasburg would pay Penn Manor \$7,500 per student slot for three years totaling \$30,000 per year. Deducting the \$30,000 tuition from Lampeter-Strasburg from the cost of the take over would leave a net cost to Penn Manor of \$60,139.70. The currently operated I.U. program costs \$79,766.10. If Lampeter-Strasburg enters into the agreement, there would be a yearly savings to Penn Manor of \$19,626.40. However, there would be an additional cost to Penn Manor of \$10,373.60 if Lampeter-Strasburg does not enter into the agreement. Lampeter-Strasburg would provide transportation for their students. The Lampeter-Strasburg students would have to obey Penn Manor's rules. If, in any year, Lampeter-Strasburg does not have enough students to fill their slots they may solicit and place students from other districts in the class with Penn Manor's approval. Mrs. Griffis said Penn Manor would only take over this class if Lampeter-Strasburg agrees to participate. Lampeter-Strasburg is currently looking over the proposed agreement. Mrs. Wert asked if there is any one else we could enter into such an agreement with if Lampeter-Strasburg does not wish to participate. Mrs. Griffis said because of our working relationship with Lampeter-Strasburg and the similarities between the two districts, there is no other district Penn Manor would wish to enter into such an agreement with. She stated that Lampeter-Strasburg was very specific about wanting to keep the current teacher in place. The teacher is willing to come to Penn Manor. Mrs. Griffis stated that she expects Lampeter-Strasburg to make a commitment by the end of the month. If an agreement is reached, Mrs. Griffis stated she would like to have approval for the Transfer of Entity and the Agreement with Lampeter-Strasburg on the April School Board Meeting Agenda.

Mrs. Griffis then updated the board with regard to the current cyber school litigation. She stated that 105 districts (including Penn Manor) are now entered into the Levin litigation against Einstein. The suit has been filed in

17 separate Courts of Common Pleas and will soon be filed in 8 more. Mrs. Griffis stated that as a result of this litigation Einstein was enjoined from enrolling students and from collecting tuition. She reviewed laws and regulations being violated by Einstein such as the special education laws, improper use of copyrighted material, an admission by one of the organizers of Einstein that its mission is to provide "stealth Christianity", and the fact that Tutorbots - a for-profit firm which is run by the organizer of Einstein and her husband - provides the curriculum. As a result of the 17 separate suits currently filed and the cost involved for Einstein, Einstein asked to have the separate suits coordinated. Levin's response to that request was to propose the establishment of five regions. A decision regarding this issue will be reached on March 13, along with PSBA's class action lawsuit. This decision could result in the postponement of the Lancaster hearing. Mrs. Griffis reviewed the three types of cases involved - 1) PSBA class action lawsuit filed April 2001, stating that cybers are not authorized under Charter School Law, and that Secretary of Education Zogby has no authority to withhold funds, 2) Administrative Agency Law which states that a hearing or notice must be given before a state official makes a decision affecting property rights of another, and 3) Einstein's appeal which contests the validity of the Preliminary Injunction in Adams County. Mrs. Griffis stated that the Department of Education has filed suit against Einstein as well. She stated that Morrisville School District, the district that granted Einstein their charter, may revoke the charter. Morrisville has ordered Einstein to fire its management company (Tutorbots), answer to finance questions and relocate their administrative offices to the district. There will be a hearing held for Morrisville and Einstein on March 26. In addition, Mrs. Griffis said some parents now want to file suit against Einstein. She said violations regarding attendance, grade level concerns, and teacher certification issues have also been cited at the PA Virtual Charter School. Mrs. Griffis said she feels the money spent for Penn Manor's involvement in the Levin Litigation has been worth it. The January bill from Levin was \$556.36. The February bill was \$277.45. The decrease in cost was due to additional school districts joining the litigation. Mrs. Griffis reminded the board that Penn Manor put a cap of \$10,000 on the cost of their participation in the litigation. Mrs. Withum asked if Penn Manor will ever get back money that was withheld from our subsidy by the Department of Education. Mr. Skrocki said he feels we have a better chance of recovering the money since it was a subsidy deduction than we would have if the money had been paid directly to the cyber school. He stated that it remains to be seen whether or

not any money is actually recovered.

Mr. Stewart reviewed the fact that there had been discussion relating to relocating an upcoming board meeting to Letort Elementary School. He stated that he would like to wait to determine a meeting date at Letort due to occupancy permits, furniture accessibility, and a concern with opening the building to the public prior to an Open House.

Mrs. Griffis reviewed proposed textbook selection requests to be funded from the 2002/2003 budget totaling \$7,719.20. The proposed books would be used in an Honors Math Analysis class, three new Business classes, and for IA Technology. These textbooks and the cost of them will appear on the April School Board Meeting Agenda for approval. Mrs. Griffis also reviewed textbooks being purchased from the 2001/2002 PSSA Grant totaling \$9,093.73. These books are being used to supplement various courses. While the textbook selections will need approval at the April School Board Meeting, the cost of them will not need board approval as they are being funded via the grant. Mrs. Griffis informed board members that the proposed textbooks were available for board review.

Mr. Skrocki reviewed the proposed refunding of the General Obligation Bond "A" 1996. He reminded those in attendance that this was a \$10,945,000 bond issue dated October 15, 1996. The call date of these bonds is June 1, 2002. Penn Manor would save approximately \$165,800 by refunding these bonds at this time. However, this figure will change as interest rates fluctuate. Mr. Skrocki asked for the board's approval for placement of this refunding on the April School Board Meeting Agenda. He stated that Mr. Ken Phillips and Mr. Bill McCarty would make a presentation to the board at that time regarding the refunding. It is anticipated that closing would occur in mid-May. Mr. Skrocki stated that the bond will be paid off in 2008. This item was approved for placement on the April School Board Meeting Agenda on a motion by Mrs. Withum, a second by Mr. Kline and a unanimous board vote.

Mr. Stewart congratulated Cody Lewis for being recognized as Teen of the Week and reminded those in attendance of the upcoming school musical, "Pajama Game". He acknowledged receipt of \$5,000 grant money for a playground at Pequea, \$5,000 grant money for the post prom at the high

school, and \$250,000 for the renovation of the Comet Field House. Mr. Stewart also commended Mr. Skrocki for the excellent job he does. He stated that he is delighted to work with Mr. Skrocki.

The meeting adjourned to Executive Session for discussion of a real estate issue at 8:38 p.m. on a motion by Mrs. Withum, a second by Mr. Jeff Kreider, and a unanimous voice vote.