

UPPER PERKIOMEN SCHOOL DISTRICT

**Education Center
2229 E. Buck Road
Pennsburg, PA 18073**

**Finance Committee Meeting
April 17, 2023**

CHAIRPERSON: Melanie Cunningham

MEMBERS:

Judy Maginnis
Keith McCarrick

Business Administrator: Daniel Direso
Asst. Business Administrator: Megan Moyer
Superintendent: Dr. Allyn Roche

AGENDA

1. Approval of Minutes
 - a. February 21, 2023
 - b. March 20, 2023

2. Presentation and Discussion
 - a. 2023-2024 Budget
 - i. Athletics
 - ii. Curriculum & Instruction
 - iii. Business
 - iv. Debt
 - v. Revenue
 - vi. Overall Draft Budget

Next Meeting: May 8, 2023

Mission Statement

The Finance Committee is an advisory committee who are devoting the extra time and effort to understand the finances of the district in order to assist and guide the Board on financial decisions which affect the short and long term financial health of the district.

UPPER PERKIOMEN SCHOOL DISTRICT
FINANCE COMMITTEE
February 21, 2023

The Finance Committee Meeting was held at the Upper Perkiomen Education Center with the following committee members attending: Melanie Cunningham (Chairperson), Keith McCarrick, and Judy Maginnis. Others in attendance were: Dr. Allyn Roche, Daniel Direso, Megan Moyer, Paula Germinario, Doug Kenwood, James Roth, Peg Pennepacker, JP Prego, Emily McCormick, and 1 community member.

6:09 Melanie Cunningham called meeting to order and January 17, 2023 Minutes approved.

Discussion:

Food Service Presentation

Paula Germinario presented information on the National School Breakfast & Lunch Program. She reviewed the key points about the program and the standards we are required to uphold concerning the nutritionally balanced breakfast and lunch. Paula explained how Food Service runs like a business with Sales, Inventory, and expenses. Lastly, she went through the participation numbers and the impacts Covid had on resources and supply chain. Emily McCormick asked if the Salad Bar could be re-introduced. Paula explained the lack of resources and sanitary concerns around the Salad Bar will make that highly unlikely in the near future. Concerning the resources, Judy asked if any PT workers would consider FT. Paula explained the need for the FT employees to be certified with SafeServ and the PT employees are PT for a reason. Emily asked what can the Board do to help.

2023-2024 Budget

Dan Direso reviewed the 2023-2024 Budget Timeline

1.) Technology

- a. 23-24 Technology Budget increased due to the new laptop phase and the internal network in all schools except for the MS.
- b. Jim spoke about the fees and the in-house repairs that could help offset some of the expenses.
- c. Dan spoke about laptops not being capital and we will need to designate fund balance for refreshes.

2.) Facilities

- a. 23-24 Facilities Budget decreased from 22-23 due to changing some things to the Capital Reserve Budget. A planned Capital Transfer is a recommendation to cover Expenses proposed by the Feasibility Study. Doug spoke about Supplies, Professional Services, and Utility Costs skyrocketing and is very grateful for GESSA for bringing our usage down significantly. The Capital needs discussed were the MLB & HFD playground Fencing, HS Asbestos, HS Gym Floor, 4/5 Roof Repairs, MLB Doors and Boilers. Vicki asked Doug about any grants that can be used for the HS Asbestos Project. Doug replied that there are very few grants through EPA.

3.) Transportation

- a. 23-24 Transportation Budget increased from 22-23 due to Fuel Costs and new software Transversa.

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Fair Funding Lawsuit

Dan shared with the committee the February 15, 2023 letter from multiple PA Associations to Governor Shapiro concerning the Fair Funding Lawsuit. They understand the complexity of Educational Funding and look to provide a long-term, sustainable, and predictable funding solution that recognizes and addresses the unique needs and challenges of every school student

Motion by Keith McCarrick seconded by Judy Maginnis. Melanie Cunningham adjourned the meeting at 8:00pm.

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FINANCE COMMITTEE
March 20, 2023**

The Finance Committee Meeting was held at the Upper Perkiomen Education Center with the following committee members attending: Melanie Cunningham (Chairperson), Keith McCarrick, and Judy Maginnis. Others in attendance were: Dr. Allyn Roche, Daniel Direso, Megan Moyer, Dr. Andrea Farina, Carol Giblin, Dana Hipszer, and Jonathan Alessi (MCIU).

6:00 P.M. Melanie Cunningham called the Finance Committee meeting to order.

Discussion:

Introduction

Dr. Allyn Roche introduced Jonathan Alessi from the MCIU and explained that Jonathan will be helping with the Budget and will be our Interim Business Administrator until a replacement is found. Everyone introduced themselves and welcomed Jonathan.

2023-2024 Budget

1.) Special Education/Pupil Services

- a. Dan Direso presented a PowerPoint slide showing Past Activity, Current Activity, and Budget for 2023-24 for Special Ed/Pupil Services. The graph shows a slow increase year over year due to placements and students moving in and out of the district.
- b. Dan presented another graph with the Spec Ed & Pupil Services breakdown over the years showing a bulk of the budget going to Professional and Technical Services.
- c. Carol Giblin explained the \$300K increase for the 23-24 budget is due to spec ed placements. She explained that if a couple of students move into the district and are placed it could throw the whole budget off.
- d. Keith McCarrick understands that nothing can be cut in the Special Education budget and was curious as to why 19-22 school year budgets were relatively flat. Carol explained it was most definitely due to Covid and children that would have been placed were not and are not being identified.
- e. Dr. Andrea Farina spoke about the increase to the Pupil Services budget due to the Comprehensive Plan process and adding SEL digital screeners K-12 plus the professional development training for the screeners.
- f. Judy Maginnis inquired about the Mental Health Esser funds that were extended to 2024 and where they would fit into the budget. Dan Direso explained the Esser funds are budget neutral and falls into the Professional Services category.

2.) Personnel/Staffing

- a. Dr. Allyn Roche explained that the 3 Mental Health Counselors from Lakeside we are utilizing now using Esser Funds will need to be budgeted for in the future. As of now they are budget neutral.

3.) Human Resources

- a. Dan Direso explained that 22-23 budget was overbudgeted due to the sub service. We show a decrease in Human Resources 23-24 budget because we are scaling back for a realistic sub service amount.
- b. Dr. Allyn Roche explained that we do not have the impact of the Teacher's new contracts to give a preliminary number tonight. Hoping to have all the information at the next Finance meeting on April 17, 2023. At that time, we will have the

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preliminary budget and tax increase proposal to discuss before presenting it at the Board Workshop on April 27, 2023.

2021-2022 Annual Audit Update

- 1.) Dan Direso presented results of the 2021-2022 Annual Audit. We ended with \$737K more Revenue than Expenses which caused a \$963,333 change in the General Fund Balance which ended the year at \$18.9M.
- 2.) Judy Maginnis inquired why we ended with \$2M more Revenue than budgeted and where the Revenue came from. Dan explained the majority of the \$2M was from the local source. We historically budget 96% collections, which does not account for transfer taxes.
- 3.) Judy asked if we would stay at this amount of Revenue. Dan explained that it is not guaranteed. Assessed values and STEB could change. Also, Transfer taxes depend on the market.

Capital Reserve Transfer

- 1.) The Capital Reserve Fund balance for 21-22 Fiscal Year ended at \$7.6M. \$5M was used for GESA.
- 2.) Dan Direso proposed a \$5M transfer from General Fund to the Capital Reserve Fund for the Feasibility Study items instead of borrowing. Still awaiting the 10-year plan from KCBA. This transfer will leave us in a good position to fund future facility upgrades and \$500K tech upgrades.
- 3.) Melanie, Keith, and Judy are on board with the transfer and would like to add it to the April 13, 2023 Board Meeting.

State Budget Update

- 1.) Dan reviewed the Governor's 23-24 Budget Proposal which includes an estimated 7.8% increase in Basic Education Funding and an \$100M increase in special education funding.
- 2.) Multiply Grants (Mental Health, School Safety, Environmental) will be offered, along with continued universal free breakfast program.
- 3.) This is simply a proposal and must go through General Assembly

Motion by Keith McCarrick seconded by Judy Maginnis. Melanie Cunningham adjourned the meeting at 7:08 pm.