

Board Finance and Audit Committee Meeting Notes
June 23, 2016 - 11:30 a.m. - Board Conference Room
Panorama Village Building
240 Villa Crest Drive
State College, PA 16801

IV-A

I. Call to Order

Mr. Fozard called the meeting of the Board Finance and Audit Committee to order at 11:35 a.m.

Present: Randy Brown, Marie Caster, Amber Concepcion, Dan Duffy, Scott Fozard, Donna Watson

A copy of all materials distributed to board members for discussion is included with the official notes, unless otherwise indicated.

II. 2016-17 Budget

Mr. Brown asked if there were any comments on the budget. Because of three years of high taxes, the administration will approach the 2017-18 budget differently. Mr. Brown provided an update on the State budget, and as of this date, a vote on the revenue side was expected, but increased tobacco taxes would need to be included, the addition of video gaming terminals were slashed, increased e-cigarette and cigarette taxes were still on the table, and the Governor asked for \$250 million Basic Education Funding increase. The Legislature is talking about \$150 million in new education money, and a hybrid pension proposal is being discussed between the House and Senate, which would not affect current employees. The policy committee should address the tobacco policy to include vape and e-cigarettes.

III. DWFMP - Elementary Update from a Financial Lens

Mr. Brown reported administration has been reviewing capacity, class sizes, and comments from the previous forums. He is looking at financial costs of completing the elementary updates, and operation and maintenance costs, which then have to fit into the budget projections. He asked for comments on anything else they should be looking at. Busing additional students keeps coming up, and a Corl Street parent asked to see the cost, which may help. Break down costs for bus contractors, i.e. cost per mile, cost per student. Work hard to identify things like extra costs, busing, additional staffing, show that we have taken into consideration all costs to justify a decision. If not comfortable with the numbers, talk about the parts that have gone into the numbers thus far. The July 18 forum will have a 10-minute presentation, breakouts in 3 rooms for 60-70 minutes, then reconvene for discussion. After demographics report is complete, discuss whether there could be support for two equivalent schools for Corl Street and Radio Park, look at cost per student and operational cost, are we still running efficiently? What are the benchmarks in present schools so we have a reference point?

IV. Multi-Year Budget Process

Mr. Brown presented information on moving to a multi-year budget process. Some decision points that are known are: Act 1 Index in December, January preliminary budget; May proposed

final budget, and June final budget. Will have preliminary financial data from prior year starting in August, and by October will have audited financial statements. Fall would be a better time for reports: staffing, charter school expense, supplies, look at certain budget areas, rather than waiting until January. Members discussed: would like parameters on how we are going to approach the budget discussion, i.e., talk about line items over "X" that matter the most, and that we can do something about; prepare a columnar report, showing discussion 1 to 2 and difference, discussion 2 to 3 and difference, etc. Ms. Watson said that information is prepared between the proposed preliminary and final, but can give more detail. Need to critically evaluate the financial data that is presented; provide contribution to staff development, program development, supplies for those kinds of programs, and how it contributes to improved programming. Mr. Brown said it will be difficult to gather that data at that level. Explain the process that administration and others go through to bring certain items to the board; explain priorities.

V. Public Comment

There was no public comment.

VI. Future Agenda Items

Budget policy

Review any other finance-related policies

District Wide Facility Master Plan

Next meeting - July 21, 2016

VII. Adjournment

Mr. Fozard adjourned the Finance and Audit Committee meeting at 12:41 pm.

Submitted by,

Marie Caster

Acting Board Secretary