

**FINANCE AND LONG RANGE BUDGET
PLANNING COMMITTEE MEETING MINUTES
MONDAY, FEBRUARY 22, 2016**

IN ATTENDANCE: Mr. David Shafter, Mr. Charles Kleinschmidt, Mr. Michael Hartline

BOARD MEMBER: Mr. Steven Adams

STAFF: Dr. David Baugh, Dr. Jennifer Polinchock

2. PLEDGE OF ALLEGIANCE

CALL TO ORDER:

Mr. Shafter called the meeting to order.

Mr. Shafter welcomed Chris Berdnik back to Centennial School District as our Chief Financial Officer.

3. MINUTES:

3.1 Approval of Minutes from January 25, 2015 (Action)

Mr. Kleinschmidt made a motion to approve the minutes from January 25, 2016. Mr. Hartline seconded. Motion carried 3-0-0.

4. REALITY BASED BUDGETING

4.1 Review of Financials for January 2016 (Information)

Mr. Berdnik reported to the committee that per the attached reports, revenues are slightly higher this month than what was received in previous years, which is due to receiving six months of our state funding in January. As for expenditures, overall expenditures are trending higher than previous years due to the amount of encumbrances that have been entered into the purchasing system. Mr. Berdnik emphasized that the 2015-16 budget did not contain enough funds to cover salaries in support services. Cuts were made in some areas but those cuts didn't occur, for example in transportation. He stated he will be looking at that more closely moving forward. Mr. Shafter asked about follow up information regarding purchasing vans for transportation to take back some routes that we outsource to the BCIU. Mr. Berdnik will be meeting with the transportation department first to review their budget.

4.2 Update on the 2016-2017 Budget Process (Information)

Mr. Berdnik informed the committee that after the Board approved the District's 16-17 preliminary budget in the PDE 2028 format, the Business Office sent it to PDE for review. PDE accepted our file. After we filed that document, the District applied for referendum exceptions for Special Education and PSERS. Our application is still being reviewed by PDE and the District should receive a response from PDE by March 2, 2016. In the meantime, Mr. Berdnik is making adjustments as necessary to revenues/expenditures as we get better estimates.

4.3 Update on Governor Wolf's Budget Proposal (Information)

Mr. Berdnik informed the committee that on February 9, 2016, the Governor gave his budget address, some of the highlights are outlined below:

- \$200 million (3.3%) increase in the Basic Education Subsidy.
- \$50 million (4.6%) increase in Special Education subsidy.
- \$60 million (30.5%) increase in high quality early childhood education.
- \$15 million in additional support for high quality CTE programs and \$5 million for CTE equipment grants
- \$8 million to help school districts provide college and career counseling.
- Adjusting charter school reimbursements to better reflect actual costs of education students with special needs.
- Cyber charter school funding reform.
- Pension improvements.
- Social security reimbursement payment cuts from 12-10.

4.4 MBIT Proposed 2016-2017 Budget

Mr. Berdnik highlighted certain areas of the MBIT 2016/2017 General fund budget. He called attention to the bottom of pages 14 and 15. On page 14, the District is obligated to pay a lease rental debt payment for MBIT in the amount of \$206,739, which is an increase of 2.33% over 15-16. On page 15, the District's contribution breakdown is under the caption "Total Due with Adjustment", which is \$1,876,514. This amount is explained in more detail on page 6 Table B and reflects the amount (\$205,947) MBIT owed or was due from members as of June 30, 2015. The District's proposed total cost to MBIT for 16-17 is \$2,083,253.00.

4.5 BCIU Programs & Services and Instructional Materials and Research Services Budget (Action)

Mr. Berdnik reported that the enclosed 2016-2017 Programs & Services and Instructional Materials & Research Services Budget in the amount of \$1,683,597 has been presented to and reviewed by the Intermediate Unit Board of School Directors. This budget was developed to address program needs identified by District/Intermediate Unit curricular committees with an emphasis on curriculum, staff development and technology services and has been approved by the Superintendents' Advisory Council. The budget, which is funded by state subsidies, district contributions and other local revenues, reflects a decrease of .92% in expenditures. Our district's total contribution to this budget is \$28,569.00. Administration is recommending approval. Mr. Kleinschmidt made motion to approve, Mr. Hartline seconded. Motion carried 3-0-0.

5. PURCHASING/CONTRACTS

5.1 Health Services Provider Contracts – Physician and Dentist (Action)

Mr. Berdnik reported that the District's Health Services Contracts are set to expire by the end of the school year. The new contracts are for three years and the cost for services has remained the same. The District spends less than \$2,000 per year for these services. Administration is recommending approval. Mr. Hartline made motion to approve, Mr. Kleinschmidt seconded. Motion carried 3-0-0.

6. ADJOURNMENT

6.1 The next Finance Committee meeting will be determined and communicated.