

# Perkiomen Valley School District

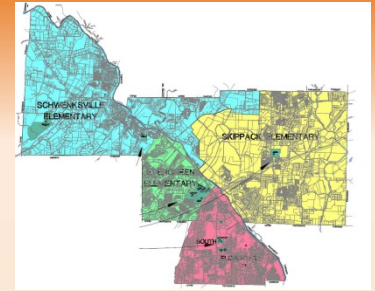
Report to Commission

Local Factors, Education Subsidy

October 16, 2014

# PVSD School District

## Fast Facts as Background



- Serves six discrete municipalities
- School District area of 30 square miles – approximately 12,000 households and 31,000 residents
- PV operates four elementary schools, two middle schools and a high school
- Public student population: 5,832 students
- 732 employees
- 2014-15 budget = \$94,346,420
- District Performance Profile, 2013-2014 - #7 in PA

# Current Funding System provides inequitable support across PA

- Thank you to the commission for considering this difficult issue
- PVSD Board of School Directors has been considering this issue since hold harmless went into effect while PV was growing
- Most recently, issues have been manifested locally in tax increases to residents, reductions in staff, alterations to programs, decreased services, increased direct costs to families, and other necessary concessions

# Current Funding System provides inequitable support across PA

Student protest in response to proposed budget cuts, May 2014



Photo courtesy of The Pottstown Mercury

# Funding Formula Issues for PV

Factors that impact PVSD taxpayers unfairly in current subsidy system.

- PVSD does not get the same share of allocated State total resources or ESBE alone as the average school district in PA
- PVSD does not get a greater proportion of State assistance even though it is rated as “poor” with an aide ratio of .4255
- Once Hold Harmless became effective, State aide did not rise in concert with increasing student population.

# Funding Formula Issues for PV

Factors that impact PVSD taxpayers unfairly in current subsidy system.

- When measured per-student, State support for education did not keep up with inflation here in PVSD
- Large parcels of land within the school district boundaries are exempt from development or potential taxation
- As a bedroom community, tax burden must be borne by individual homeowners.

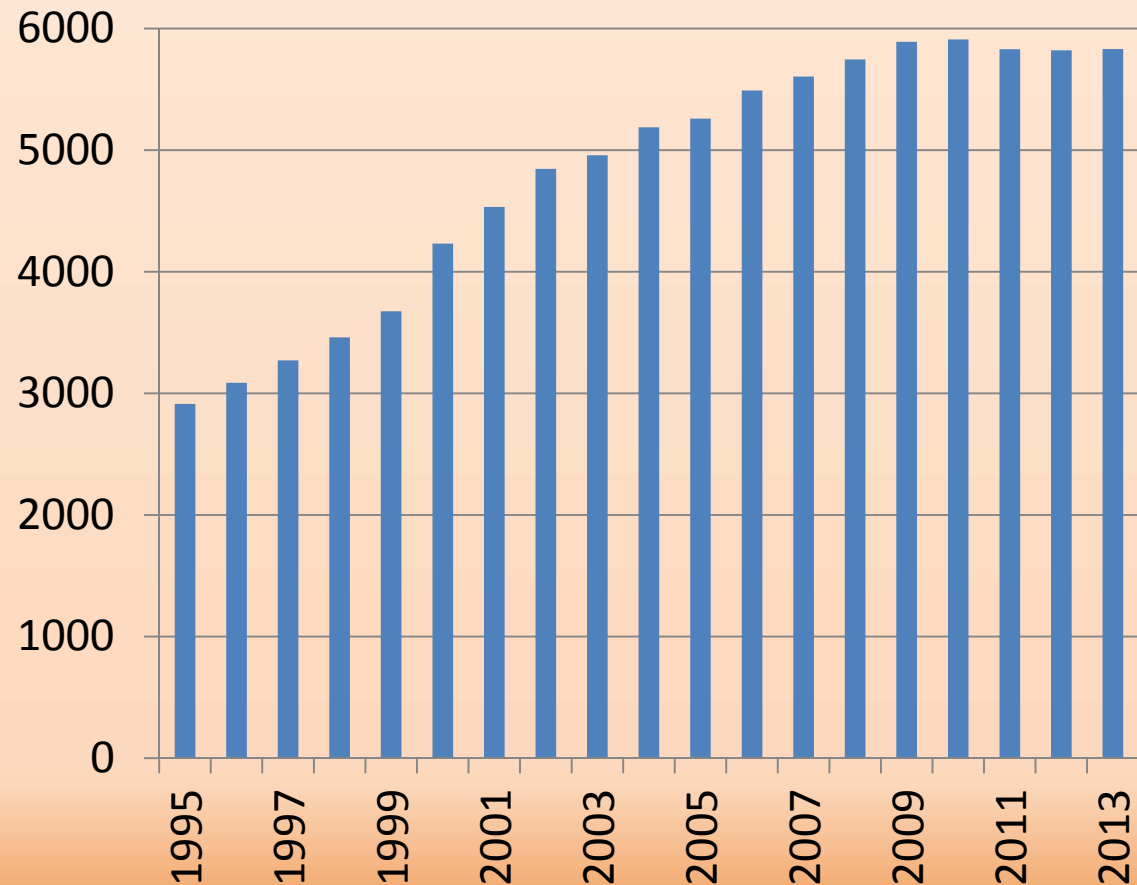
# Enrollment

Factors that impact local taxpayers in current subsidy system.

- 4<sup>th</sup> largest 20-year school district growth in enrollment in PA

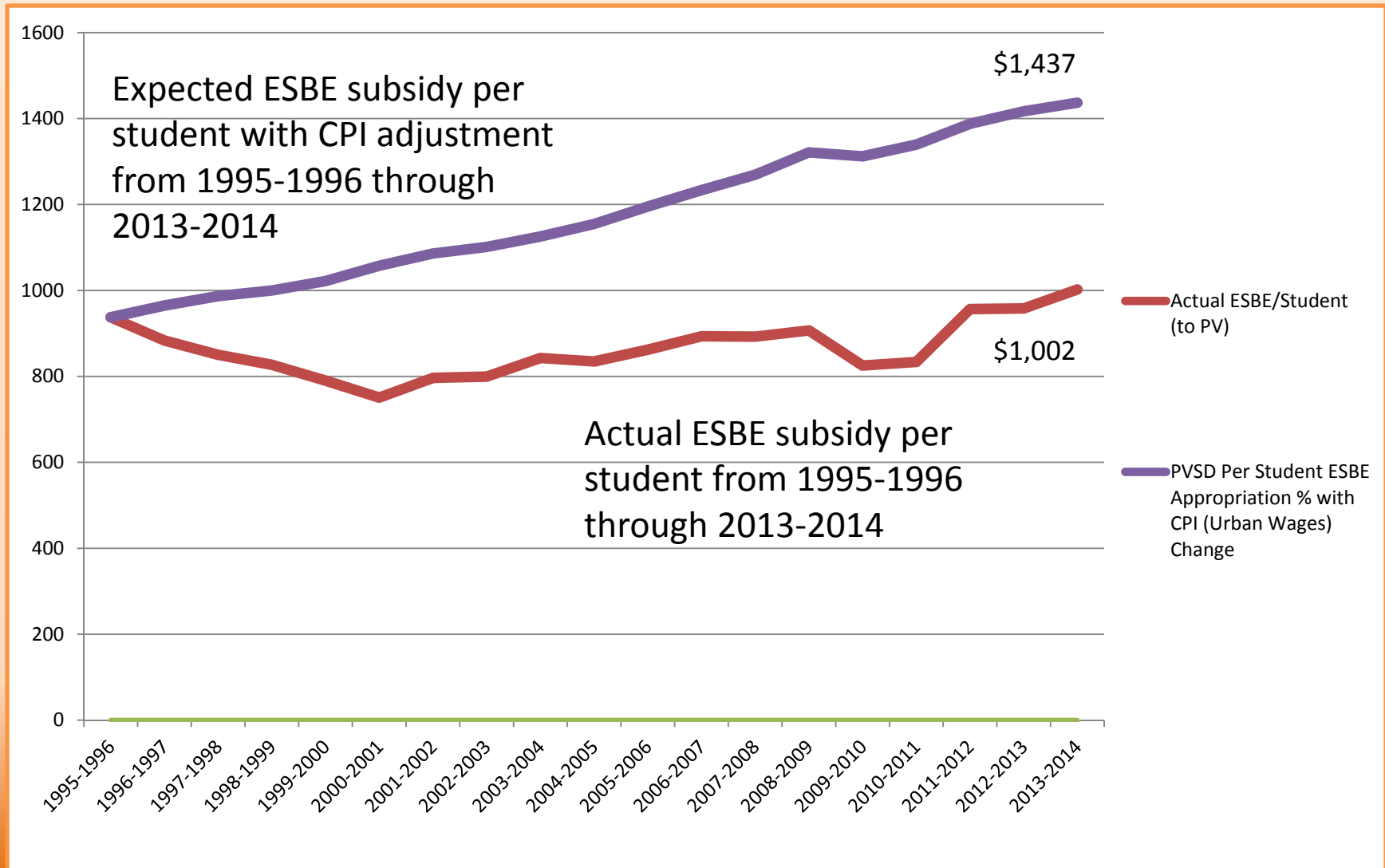
— School Finance Briefing, August 2014

- Student Population Growth



# Consumer Price Index

Actual PA Subsidy per Student VS. Subsidy if adjusted for Inflation





# Consumer Price Index

Actual PA Subsidy per Student VS. Subsidy if adjusted for Inflation

- 1995-1996 State ESBE contribution per student = \$937.58
- 2013-2014 State ESBE Contribution per student = \$1,002.43
- Change in 19 years = \$64.85 or 6.9%
- CPI change over same 19 years = 56.3%

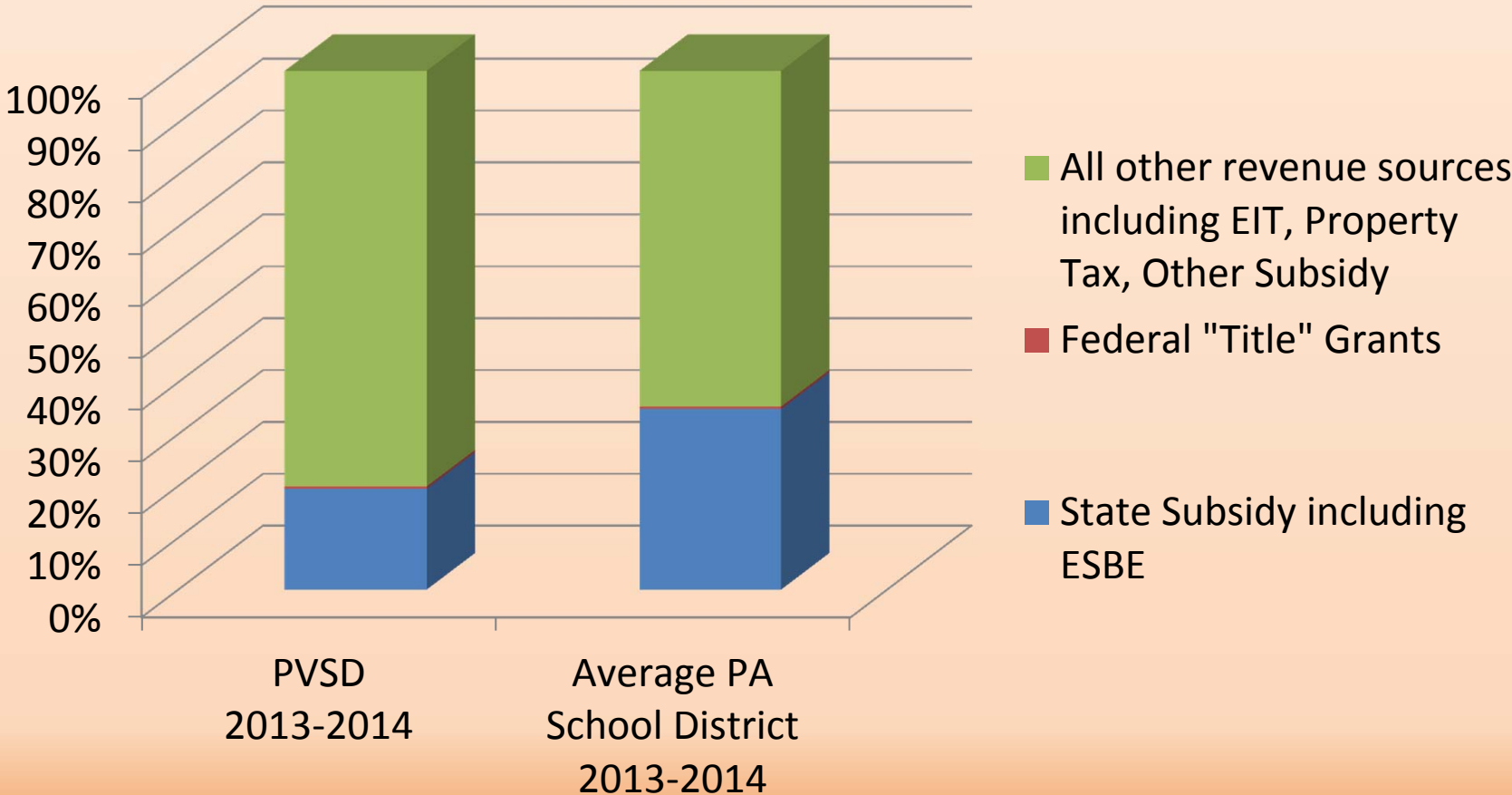
# Percent of Total State Support

- Average State Funds for all School Districts
  - 35% of school district budgets
- State Funds Supporting PVSD
  - 20%
- Impact in real dollars per average homeowner  
If 35% State Average
  - \$1,222
  - 22.25% of average homeowner tax bill

# Percent of Total State Support ESBE Only

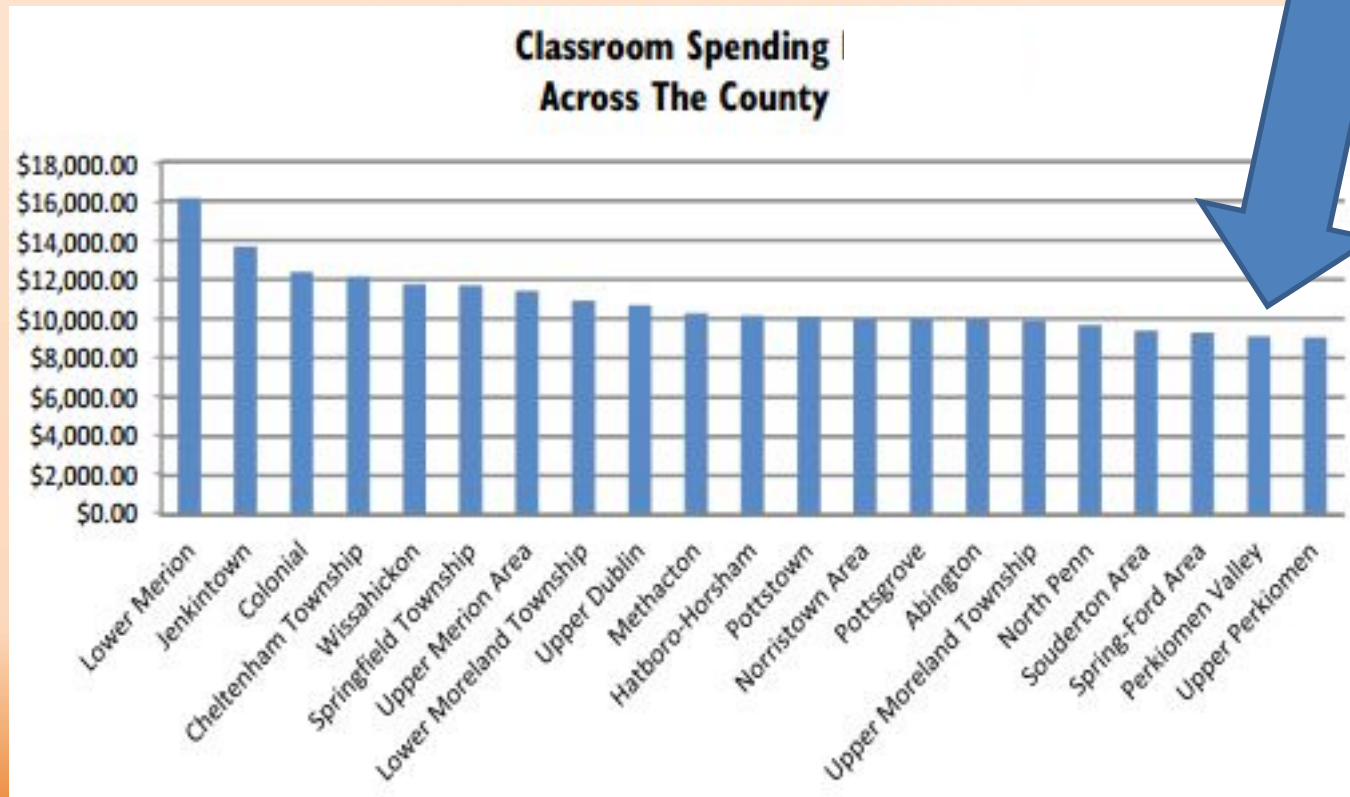
- ESBE 1995-1996 as % of PV Budget
  - 10.33%
- ESBE 2013-2014 as % of PV Budget
  - 6.26%
- Impact of 4% difference on \$94 million budget
  - \$3.7 million
  - For school year 2013-2014 only

# Percent of State Support for Education



# School District is Efficient

- School District spending per student compared to other local spending



Figures are 2011-12 Actual Instructional Expenditures as calculated by the Pennsylvania Department of Education

# Local Impact

- Over 20 years, the local taxpayer has had to bear the burden of the growth in student population absent additional support from Pennsylvania
- Our calculations show that if the State would have maintained the 10.33% ESBE to budget for PV, there would be an additional \$3.7 million available for this current school year.
- At present, our calculations indicate that for the upcoming 2015-2016 school year, there will be an estimated \$4 million shortfall if we maintain the present programs and services without changes.
- If the State continues hold harmless formula, the burden will be borne by local taxpayers or will be made up by cuts to program and reduction of services provided to students in an already very efficient and effective program.

## We advocate for the consideration of:

- State school funding system that is fair to our school communities and local taxpayers
- State-level funding formula with a base per student amount
  - Adjust for student population changes
  - Adjust for regional costs
  - Adjust for cost of living
  - Adjust for local taxpayer effort
- Rethinking definition of school district wealth that takes into account in-boundary property exempt from tax participation