



Dr. David A. Zerbe, Superintendent of Schools

**Farina Education Center**  
1001 Kriebel Mill Road  
Eagleville, PA 19403-1047  
610.489.5000  
Facsimile - 610.489.5019

[www.methacton.org](http://www.methacton.org)

**Testimony for October 16, 2014**  
**Basic Education Funding Formula Commission**

Demographic Information

The Methacton School District is located in Montgomery County, a suburb of metropolitan Philadelphia. The district's boundaries include Lower Providence and Worcester townships, an area of about 30 square miles with about 34,000 residents.

According to the 2010 United States Census, the mean household income for within Lower Providence Township was \$111,850 and \$154,290 for a household in Worcester Township. The average residential assessment for a home in the Methacton School District is \$180,767. The ethnic makeup of the community includes 82% White, 10% Asian followed by Black or African American at 6%.

Comprised of five elementary schools serving grades kindergarten through four, one upper elementary school serving grades five and six, an intermediate school for grades seven and eight, and one high school housing grades nine through twelve; the district's enrollment is approximately 5,000 students. Methacton's staff includes about 420 teachers and about 240 additional staff; including teaching assistants, secretaries, administrators, and other support. The district currently contracts with external providers for both transportation, food services, and substitutes.

The district's 2014-2015 operating budget is \$99,557,372; with nearly 80 percent of the district's revenues coming from local sources, including property taxes. Methacton's 2014-2015 millage rate is 27.90; the 9th lowest millage rate among the 21 school districts in Montgomery County (2013-2014). The Commonwealth contends that, on average, the State provides 35% of the funding for public education. The Methacton School District receives \$19,625,754.00 from the State. This is considerably less than 35% which finds our average tax bill being \$5,043.40 per year which is about \$1,125.18 higher than the average tax payer in the Commonwealth based upon our current state funding level.

In terms of student achievement, Methacton School District typically performs better than most of the State on standardized exams such as the PSSA (Pennsylvania System of School Assessment) exam. These exams are given to students starting in grade 3 in Mathematics, Reading, Writing and Science. The Methacton School District was ranked 13th in the Commonwealth on the district school performance profile and 3rd highest in Montgomery County.

Consideration

Public Education provides a public service for the good of the community. That service requires funding to operate. My fellow colleagues and I applaud the basic education funding formula commission for taking on this task. The commission is positioned to hear testimony on how Pennsylvania should address the fundamental issues of predictability, adequacy, equity, and sustainability of public education funding. The commission not only needs to address these 4 fundamental issues, but I propose they do this in a sensible or practical way.

This commission needs to consider a substantial amount of information in the context of knowing that any such formula change may produce winners and losers. There is a finite amount of funding available. As such, it is important to consider the very impact that skyrocketing mandated costs such as PSERS costs, Special Education costs, and Charter School costs have on any distribution or redistribution of finite funds.

These ever increasing mandated costs are forcing school districts like Methacton, to divert substantial funding away from our core mission. These rising costs will delay our textbook and technology purchases, reduce elective and extra-curricular offerings, and will have long lasting negative impact on our students and the quality of education our community has come to expect. Raising taxes to provide for technology, or other tangible programs is difficult enough, seeking tax increases for a retirement system that is unsustainable, some say broken, well is, downright not sensible.

As an example- You would think that all of us in this room have heard just about enough with regards to the Pennsylvania School Employees Retirement System. The issue has been on the table for far too long and the only thing we have to show for all the discussion is a Hybrid Bill that will help, but will help 20 plus years out. As the Superintendent of Methacton School District, I can tell you that the PSERS issue alone, is making us change how we do business.

<b>FISCAL YEAR</b>	<b>SALARIES</b>	<b>PSERS %</b>	<b>DOLLAR CONTRIBUTION</b>	<b>INCREASE</b>
2013-14	44,684,606	16.93%	7,565,103.88	N/A
2014-15	42,567,227	21.40%	9,109,386.58	1,544,282.70
2015-16	43,263,784	25.84%	11,179,361.79	2,069,975.21
2016-17	44,561,698	29.27%	13,043,209.00	1,863,847.22
2017-18	45,542,055	30.25%	13,776,471.64	733,262.63
2018-19	46,543,980	31.28%	14,558,957.01	782,485.37

*In 2002, the school district PSERS Contribution was 1.09%.*

This chart reflects the increases that have occurred or are projected for the Methacton School District up and including the 2018-2019 school year. An increase of nearly \$7Million dollars during this 5 year span will go towards PSERS. How will this \$7 Million help our students?

Let me just suggest that regardless of the factors and how you re-distribute a finite amount of funding, the rising underfunded mandated costs will remain. If you change the formula without first addressing these 3 major rising cost areas (PSERS costs, Special Education costs, and Charter Schools costs), any intended improvements to the formula will be lost in the need to meet the mandates.

In closing, I strongly suggest that this commission continue its work towards gathering input from across the Commonwealth. I commend you for the effort.

I simply ask that you heed to warning and address the rising mandated costs from PSERS, Special Education, and Charter School Funding before making any substantial change to the formula. I ask that you make an effort to address the fundamental issues of predictability, adequacy, equitability, and sustainability of public education funding while considering the sensibility of those actions.