

Parkland Community Advisory Council

January 19, 2017

CO-PRESIDENTS

Marie Maritch
Melanie St. Hill

VICE PRESIDENT/MEMBERSHIP

Michelle Wahlmark

SECRETARY

Linda Perlman-McKenna

ATTENDEES : Melanie St. Hill, Jennifer Schreiner, Ann Segan, Ismail Kashkoush, Nancy Trach, Melissa Grube, Linda Perlman-McKenna, Lisa Hayducek, Michelle Wahlmark, Deb Martin, Andrea Scott,

GUESTS : Jennifer Jones, Leslie Frisbie, Mary Ost.

ABSENT/EXCUSED: Marie Maritch, Lisa Roth

STUDENT REPRESENTATIVES: Kiera Segan, Alana Dee, R.J. Corba

SCHOOL BOARD REPRESENTATIVES: Carol Facchiano

ADMINISTRATION: Dr. Rodney R. Troutman, Assistant Superintendent

CALL TO ORDER: The meeting was called to order by Melanie St. Hill at 7:00 p.m.

APPROVAL OF MINUTES: A motion to approve the minutes from December 16, 2016 was made by Michelle Wahlmark and seconded by Andrea Scott. The motion passed unanimously.

PRESENTATION: 2017-2018 Budget “First Look”

Melanie St. Hill introduced the evening’s speaker, Mr. John A. Vignone, Director of Business Administration for the Parkland School District. John distributed a one-page summary of the “First Look” 2017-2018 Budget and tentative budget timeline. Very similar information was presented to the School Board on January 17, 2017. A copy of the Budget Timeline is attached with these minutes.

Mr. Vignone explained that Act 1 is a law that school districts must follow in determining their annual budgets. The ACT 1 Index drives how high a school district can raise property taxes to generate needed revenue. The Act 1 Index set by the State for 2017-2018 is 2.5%. This is the maximum property tax increase allowed by law, unless a school district applies for and receives approval from the state for certain “exceptions” to help districts pay for costs outside their control, such as escalating special education costs or fixed distributions to the PA State Employee Retirement System (PSERS). Last year Parkland sought exceptions to help cover the costs associated with implementing Full Day Kindergarten. This year, Parkland will not be seeking any exceptions for the 2017-2018 budget, so the maximum property tax increase will not exceed the Act 1 Index of 2.5%. This 2.5% property tax cap for 2017-2018 translates to a maximum millage increase of 0.37 Mills over last year’s tax rate, or a max increase of \$37 per every \$100,000 of assessed home value. This millage increase amounts to a total maximum allowable millage rate of 15.22. (This does not factor in any potential Property Tax Relief from gaming monies if

available for the 2017-2018 budget.) To help explain the impact of the maximum allowable millage rate on a PSD taxpayer, an example was offered: assuming a tax rate of 15.22 Mills, a residential property assessed by Lehigh County at \$100,000 would be taxed as follows: \$100,000 (assessed home value) x .01522 (millage rate) = \$1,522. For a home assessed at \$200,000, the total amount of property tax for 2017-2018 would be two times that amount (2 x \$1,522) or \$3,044.

Mr. Vignone reviewed the budget handout, beginning with the various sources of revenue. The total amount of revenue from all sources for next year is projected to be \$166 Million, an increase of 3.88% over 2016-2017. He noted that Parkland's largest revenue stream is local property taxes, which account for approximately 80-83% of the total revenue. Of this, roughly 60% is from residential property taxes and 40% is from commercial/industrial property taxes. With the maximum allowable 2.5% Act 1 property tax increase, Parkland School District can count on a maximum increase of 2.8 million dollars in revenue from this local funding source for next year. Other sources of local revenue include Real Estate Natural Growth and the Earned Income Tax (EIT.) State sources of revenue are projected to total less than 20% of the total revenue, approximately \$32.2 Million. These sources include Basic Education Funding from the Commonwealth of PA (which has remained flat even though our expenses from state mandates have increased) and some reimbursements for PSERS. Federal sources of revenue account for less than 1% of our total revenue budget and are projected to remain the same as last year at \$1.39 Million.

Mr. Vignone continued with a review of the major expense categories in the 2017-2018 Projected Budget. He noted that 75% of our expense budget relates to Salaries and Benefits, with the cost of benefits increasing at a much faster rate than salaries due to mandated expenses associated with the state's underfunded retiree pension system (PSERS). John reported that salaries and benefits are projected to increase by 2.89%. The increased costs reflect the hiring of 2 teachers in anticipation of increased kindergarten registrations over the summer. John highlighted proudly that our participation in a health benefits consortium will result in decreased premiums compared to last year's amounts. Other expense categories include:

- Professional Services (e.g., costs for special education services provided by the Carbon Lehigh Intermediate Unit—expecting slight decrease)
- Property Services (e.g., HVAC—not expecting much change)
- Other Services (the projected 8.35% increase relates to increased “brick and mortar” charter school costs, namely tuition and transportation costs, as well as cyber school costs)
- Supplies (the projected 5.78% increase in costs are associated with additional textbooks and increased energy costs—we locked in fuel prices)
- Equipment
- Debt/Financing (money we borrowed for buildings—we'll need to borrow for a new school proposed for Upper Macungie)
- Other

Total expenses for 2017-2018 are projected to be \$172 Million---a 3.71% increase over the current year's budget. With expenses outpacing revenues, Parkland School District is currently projecting a budget deficit of \$5.95 Million for 2017-2018. Perhaps the greatest challenge in assembling the budget is our inability to predict the things that will impact the budget. Mr. Vignone highlighted that changes to the proposed budget will be ongoing as we continue through the budget process, as additional inputs become available and assumptions are refined. The

district will continue to find creative ways to meet the challenges of covering expenses with unpredictable revenue streams.

The proposed budget for 2017-2018 is slated to be adopted on May 23, 2017 with final budget approval by the School Board scheduled for June 27, 2017.

A lot of discussion surrounded two key concerns that affect the budget: (1) the proposed elimination of property taxes, and (2) concerns about cyber/charter school costs. Dr. Troutman highlighted that the State Senate seeks to pass reforms as early as July 2017 that would eliminate the local property tax revenues upon which Parkland relies so heavily. This is particularly worrisome given that no details have been shared regarding the plan or how it would be implemented. Unintended consequences could have a detrimental effect on our budget and our education system. The proposed reform would result in an even greater loss of local control over our school budget, and would still result in a burden on taxpayers in the form of other tax increases, such as increased personal tax and/or increased sales tax. CAC members expressed grave concern about the impact of losing a significant revenue source and encouraged parents to contact their legislators. CAC leaders asked members to consider whether or not we really want state authorities interfering with our main source of funding from local property taxes? Do members really trust that the State will manage revenue siphoned from taxes any better than they managed the pension fund? (It was highlighted that these are the same state authorities that mishandled the state employees' retirement system.) And, members were asked to think about whether they trust that the State will implement an adequate and fair system to share the revenue with the local school districts to make up for the local revenue losses? The consensus seemed to be a resounding "no!"

Concerns about cyber/charter school costs also received a great deal of attention. It was noted that Parkland pays \$10,874 for tuition per regular education student attending a brick and mortar charter school or a cyber school. This amount is determined by a state funding formula and is significantly greater than the \$7-8,000 per student it costs PSD to educate a regular education student within one of its own district schools. (The PSD cost per student varies depending on whether it's an elementary or secondary student.) Paying cyber schools the same amount as the brick and mortar charter schools seems unreasonable given that the cost to run a cyber program is much less than for a brick and mortar charter school. The costs associated with many of these cyber/charter school programs are particularly concerning given the poor track record many have in the area of student achievement. Members commented that all schools should be held accountable for student achievement and that the state should implement a fair funding formula. The high cost of transportation associated with charter schools was also discussed. It costs approximately \$700 to transport a student within our district, but it costs much more to transport a student to a charter school that falls within a 10-mile radius of our district. Total projected Charter School costs for 2017-2018 budget are projected to be \$3.2Mill, an increase of \$600K over last year.

SCHOOL BOARD REPORT:

Carol Facchiano gave a brief report, commenting on last month's presentation about the Parkland Education Foundation. She highlighted that there is a pre-Gala event on Sunday, January 29th at Randall's for ladies only. Registration is online. Cost of admission is to bring a gift card or prize that can be auctioned off at the Gala.

STUDENT REPORT: Kiera Segan, Alana Dee and R.J. Corba

General

- Course registration for the 2017-2018 school year started this month.
 - The Class of 2021 visited PHS in early January to learn about course options.
- Parent Meeting for Class of 2018, 2019, and 2020, was held on January 3, 2017.
- Parent Meeting for Class of 2021 was held on January 5, 2017.
- Parent Forum Meeting will be held on January 25, 2017.

Arts

- PAC Children's Workshop was January 7 and 8, 2017, the theme was "Inside Out."
- PMEA District Orchestra: January 12, 14, 26, 29, 2017.
- Parkland will host the PMEA District Band Festival on February 9 – 11, 2017.
- The Spring Musical, "Pippin," will be performed April 5 – 9, 2017.
 - Student musicians selected for pit orchestra last week.
- The Dance Team will be hosting a mini-Thon on March 4, 2017 from 9:00 am. to 9:00 pm.
 - Carnival theme.
 - Time for elementary and middle school kids to come and dance.

Academics

- Midterm exams are the week of January 23, 2017
- Winter Keystone Exams have been occurring over the past month.
- Today the Key Club organized a blood drive with Miller Keystone Blood Center.
- Mr. Parkland is scheduled for Saturday, February 4, 2017 at 7:00 pm.
- Second Spirit of Community Forum was held on Tuesday. Representatives from all clubs come together and discuss ways to encourage more school spirit/club involvement.
- Parkland News Network's film night was January 7, 2017, featuring productions by the students.
- Parkland was placed on the 7th Annual District Honor Roll.

Athletics

- Spring 2017 physicals are Saturday, February 4, 2017 at the high school. Boys from 8:00 a.m. to 10:00 a.m. and girls from 10:00 a.m. to 12:00 noon.
- Parkland will be hosting a sports nutrition presentation for the Parent University Program at SMS on January 26, 2017.
- Boys' basketball is 6-5, coming off a big away win against Emmaus of 76-63.
- Girls' basketball has an overall record of 10-2 right now with losses to Bethlehem Catholic and Boyertown.
- Swimming and diving is currently 4-0, only trailing Nazareth and Liberty in the current rankings while being tied with Emmaus.
- Varsity boys wrestling has an overall record of 3-2 right now with wins against Dieruff, Whitehall, and Freedom.
 - Varsity wrestling recently placed second in a Penn Manor Tournament while the junior team placed third at the Bangor tournament.

OLD BUSINESS: Alana Dee asked for an update regarding the possible rotation of CAC meetings to different locations within the school district. Melanie St. Hill reported that nothing has been finalized yet. The CAC Board will discuss this and will report back at an upcoming meeting.

NEW BUSINESS:

The next CAC meeting will take place on Thursday, February 16, 2017 at 7:00 pm in the Admin Center. Two important agenda topics will include Parent Reunification (i.e., plans related to reuniting with your child(ren) in the event of a disaster or emergency) and Safe Transportation (including some surprising video footage taken from cameras mounted on the external arm of school buses.) Melanie encouraged everyone to bring a guest to next month's meeting.

ROUNDTABLE:

Many thanks were extended to Mr. Vignone for his clear and informative presentation on the budget and to the team of administrators and teachers for their ongoing efforts to meet the ongoing budget challenges.

Dr. Troutman will have Diane Foley send out information regarding property tax reform. It was also suggested that members visit the website for the Pennsylvania Association of School Board Officials at [pasbo.org/property tax](http://pasbo.org/property-tax) for links to additional information on Senate Bill 76 and implications of the property tax elimination proposal.

Lisa Hayducek commented on the desire to increase attendance at CAC meetings and the importance of increasing awareness about issues like the ones discussed this evening about property tax reform and the costs of cyber/charter schools.

Andrea Scott suggested circulating the CAC agendas to PTOs and publishing them on the PTOs' Facebook pages. Jennifer Schreiner highlighted that not all PTOs are blessed with the same social media tools or same level of technical resources. The desire for and advantages of the same/shared technology were discussed.

MOTION TO ADJOURN:

At 8:30 p.m., Melanie called for a motion to adjourn. Ann Segan moved, with Lisa Hayducek seconding the motion. The motion passed unanimously.

Respectfully submitted,

Linda Perlman-McKenna

**Parkland School District
2017-2018 Budget Timeline (Tentative)
(Based on Staying Within the Act 1 Index)**

August 2016 ✓	8/9/10	Budget update to Board Committees—Three (3) Budget Years are discussed at this Time; 2015-16, 2016-17 & 2017-18
September 2016 ✓	1 7/9 9 12/14 20 27	Act 1 Base Index published in the <i>Pennsylvania Bulletin</i> (publication date uncertain) Internal budget discussions with Cabinet / Joint Principals Leadership Cabinet (JPLC) PDE notified Parkland School District of its applicable Act 1 Base Index @ 2.5% Budget update to Board Committees (12 th with PFM re REFI) Board Meeting / Budget update Board Meeting
October 2016 ✓	5/7 10/11/12 18 25	Internal budget discussions with Cabinet / JPLC Budget update to Board Committees Board Meeting (REFI Discussion / Par Res) Board Meeting (REFI Par Res Vote)
November 2016 ✓	2/4 7/8/9 8 15	Budget update to Cabinet / JPLC Budget update to Board Committees (8 th with PFM re New \$) General Election Day Board Meeting
December 2016 ✓	6 6 7/9 9 12/13/14 15 20	Board Organization Meeting Board Meeting (New \$ Discussion / Par Res) Internal budget update to Cabinet / JPLC Budget requests to Principals / Supervisors for review Budget update to Board Committees Certification of Sterling Act Tax Credit for calendar year 2015 Board Meeting <ul style="list-style-type: none"> • Budget update • (New \$ Par Res Vote)
January 2017	4/6 9/10/11 13 17 24 25	Budget update to Cabinet / JPLC Budget update to Board Committees All reviewed budget requests to Superintendent / Business Office Board Meeting / Budget update Board Meeting / Adoption of Accelerated Budget Opt Out Resolution Board adopted Accelerated Budget Opt Out Budget Resolution and Real Estate Tax Rate Report to PDE within 5 days of board adoption

February 2017	1/3	Budget update to Cabinet / JPLC
	6/14/15	Budget update to Board Committees
	10	PDE deadline to notify PSD whether the proposed tax rate is equal to or less than the base index (within ten days receipt of board adopted Accelerated Budget Opt Out Resolution)
	21, 28	Board Meetings / Budget update (if necessary)
March 2017	1/3	Budget update to Cabinet / JPLC
	6	Board Retreat / Planning for new Elementary School
	7	Governor's Budget Address
	13/14/15	Budget update to Board Committees
	21, 28	Board Meetings / Budget update (if necessary)
April 2017	5/7	Budget update to Cabinet / JPLC
	10/11/12	Budget update to Board Committees
	18	Board Meeting / Budget update (if necessary)
	20	Deadline for Secretary of the Budget to notify PDE whether it is authorized to provide school districts with Property Tax Relief allocations
	25	Board Meeting (<i>meeting cancelled</i>)
	28	Budget Seminar
May 2017	1	County Assessment Office to provide H / F report to school districts
	1	PDE to notify districts of their Property Tax Relief allocations from gaming monies
	2	Budget update to Cabinet
	8/9/10	Budget update to Board Committees
	12	Budget update to JPLC
	16	Primary Election Day
	16	Board Meeting / Budget update
	23	Board Meeting / Adoption of Proposed Budget for 2017-18 (at least 30 days prior to Final Budget Adoption)
	24	Proposed Budget available for public inspection (at least 20 days prior to Final Budget Adoption)
	June 2017	7/9
12/13/14		Budget update to Board Committees
15		Public Notice of Final Budget Adoption for 2017-18 (at least 10 days prior to Final Budget Adoption)
20		Board Meeting / Budget update
27		Board Meeting / Final Budget Adoption for 2017-18
27		Board Meeting – Resolutions updated <ul style="list-style-type: none"> • Homestead / Farmstead Exclusion Resolution (annual) • Real Estate Tax Installment payment process Resolution (when necessary)