



CHARTIERS VALLEY

SCHOOL DISTRICT

 | *Inspiring excellence.*

At the School Board meeting on Tuesday, November 8, the CVSD School Board made the following statement:

"Good evening and thank you for being here. I'd like to provide a bit of perspective and correct the misinformation presented on social media on what is happening with regard to the teachers' contract negotiations that are currently underway.

We have very recently had positive negotiation sessions with the Charters Valley Federation of Teachers. Right now, we are really hopeful that these discussions will soon lead to a successful resolution in our contract negotiations.

As I mentioned the last time the School Board met: The Board of Directors truly values our teachers, and we continue to respect and appreciate the critically important work that our teachers do for our children and families. We absolutely believe this to be the case. And this is evidenced by the fact that teachers' salaries in our District are currently among the highest in Allegheny County.

Here's a quick rundown on the contract negotiations:

- We began the school year in the midst of negotiating a new contract with the teachers' union; its previous contract expired on June 30, 2022.
- Representatives of the District have been meeting in good faith since January 2022 to negotiate a new contract and have participated in multiple meetings with union representatives.
- The District's goal remains the same: to have a signed contract that is both equitable for teachers while enabling the District to live within its means.

As we negotiate a new contract with the teachers' union, the realities of the District's current finances demand that we are fiscally responsible as a school district. And here are some important facts that I want everyone in the district to understand:

- The status quo is not working – and is not sustainable for the District’s finances.
- One data point to illustrate this very real concern deals with rising healthcare costs: We are expecting to see anywhere from a 15 to 18 percent increase in healthcare costs for the District starting next July.
- While the cost of educating students continues to rise, neither state or federal funding has increased at a rate necessary to meet the needs of schools across the Commonwealth and the country. This funding imbalance places more of the financial burden on local taxpayers.
- The new millage rate has increased in each of the last five years. But what many people may not know is that the millage increases still have not covered the rise in employment costs (salaries, health care benefits, and fringe benefits). This leaves the District with little savings and an unstable path forward, especially with an aging Intermediate school. It’s also worth noting here that Chartiers Valley’s millage rate remains the fifth lowest in Allegheny County.

I really want to drill down a bit so there’s truly a better understanding of the fiscal realities facing Chartiers Valley.

We started this new school year with a budget of \$74.6 million, and an increase in enrollment by 2.65 percent to 3,415 students. Our Board recognizes the importance of maintaining fiscal responsibility while providing high-quality education and robust course and program offerings. Our goal is to make sure that the school district lives with high standards but *also within its means*.

There are five financial realities that we are currently facing that I’d like to share with you:

1. In June 2021, the District’s general fund balance was \$7 million. The District’s unassigned fund balance today is \$3.7 million, which is only 53 percent of budgeted expenditures. This is well below the 8-10 percent of budgeted expenditures recommended for a healthy fund balance. Unassigned fund balances are viewed as a reflection of the financial strength of school districts and should be maintained at a healthy level to accommodate unforeseen expenses that may occur throughout the fiscal year.
2. Even after five consecutive years of increasing taxes, the District’s expenses for salaries, health care and fringe benefits have required the use of reserve funds to pay the bills for regular operations; using reserve funds to pay for regular operations is clearly unsustainable.
3. Our Capital Improvement Fund is precariously low. The District’s fund for capital improvement now hovers below \$100,000. There is a need to increase the balance in the District’s Capital Improvement Fund, so all property and facilities – especially for

capital improvements to the Intermediate School – are properly maintained to provide productive and safe learning environments for our students.

4. Back in November 2019, our Board and administration developed and approved a five-year strategic plan with the goal of providing quality environments for students to engage in curricular and extracurricular learning while maintaining its history of fiscal responsibility.
5. On October 21, 2021, our Board secured and approved a low-interest bond loan to pay for needed upgrades and renovations. This funding can only be used for renovations and upgrades that were stipulated in the bond application. Many of these upgrades are for code compliance to meet accessibility, safety, and quality standards.

Let me end with these two points.

First, if fiscal responsibility is not fully considered, we will be in an extremely difficult position. We will be forced to consider reductions in programs and scaling back opportunities for our students. Fewer programs mean adjustments in staffing—something that no one wants to see happen. We are optimistic we can achieve a fair resolution without these options being pursued.

Secondly, to move forward, we must find common ground and our Board is prepared to do just that. We all have a stake in keeping this District on firm financial footing. However, no amount of public posturing or campaigning will succeed in changing the financial situation currently facing this District.

Ultimately, the community is responsible for paying its teachers.

We will continue to update you on the status of our negotiations on the District's website where you will find the facts about our financial realities. You can access these facts at www.cvsd.net/contract.

Finally, the District has scheduled three upcoming bargaining sessions with the CVFT between now and mid-December and we will continue to negotiate in good faith with the goal of reaching a fair and equitable contract on behalf of the communities we – and all of our teachers – serve. Thank you.