



Pottsville Area School District

Enrollment Trend Financial Overview

May 12, 2020



MEMBERS & OFFICERS

Noble Quandel, President
Dr. Ann Blankenhorn, VP
Jerome Urban, Treasurer
Dr. Michael Cardamone, Member
Ashley DeWitt, Member
Dr. Christine DiCello, Member
Patrick Moran, Member
Craig Shields, Member
Linda Wytovich, Member

ADMINISTRATORS PAHS

Mrs. Tiffany Hummel, Principal
Mr. Richard Boris, Asst. Principal
Ms. Eleanor Sanayka, Special Ed.
Supervisor
Mr. Eric Rismiller, Athletic Director

DHHL

Mr. Michael Maley, Principal
Mrs. Caitlin Mohl, Asst. Principal
Ms. Kelly Brennan, Special Ed. Director

JSC

Dr. Jared Gerace, Principal
Deneen Reese, Asst. Principal

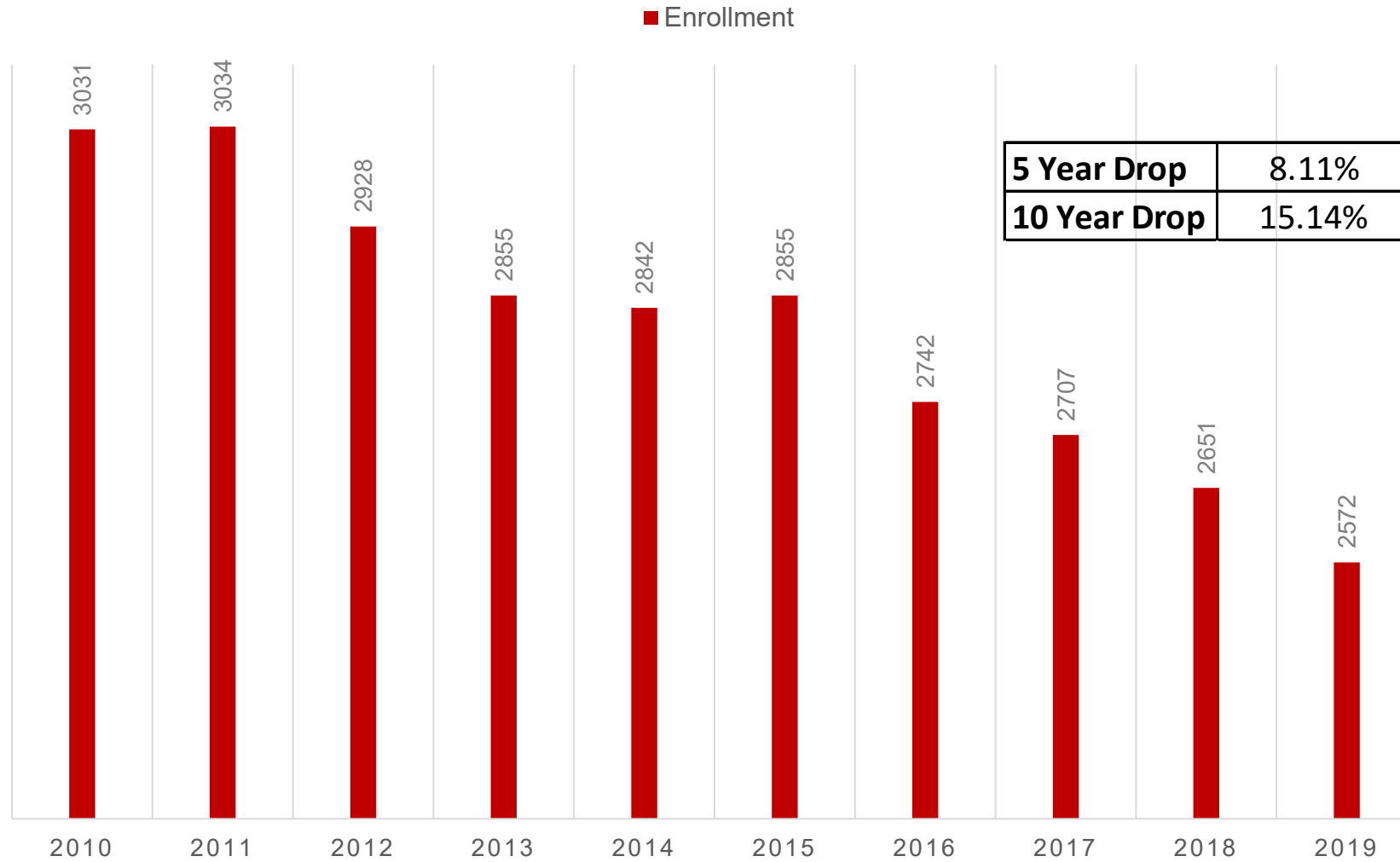
ACADEMIC CENTER

Dr. Jeffrey Zwiebel, Superintendent
Mr. Brian Manning, Business Manager
Mrs. Patricia Lombel, Asst. Business Manager
Ms. Lisa Eckley, Food Service Director
Mrs. Dianne Dougherty, Coordinator of Inst. Tech.

POTTSVILLE AREA SCHOOL DISTRICT COMMITTEE ON PERSONNEL

- It is recommended that the Board approve the following motion and direct the Superintendent and Administrative team to:
 - Study the professional district staffing needs based upon instructional program requirements and student enrollment.
 - Determine the minimum professional district staffing needs for the upcoming school year based upon the foregoing studies.
 - Make recommendations to the Board during the May 2020 board meeting based upon the considerations set forth in the Public School Code, concerning whether any professional or temporary professional employee position should be maintained, added, reduced or eliminated during the 2020-2021 school year.
 - If a recommendation is made for elimination or reduction of positions, implement the established procedures through termination of specific temporary professional employees, obtaining such approvals from the Department of Education that may be required for the alteration or curtailment of education programs;
 - Notify any temporary professional and professional employees who may be affected by the recommendations; and
 - Consult with and work with district legal counsel to insure the correctness and completeness of the process.
 - **Roll Call Vote**
1. Administration obligation to offer a solid, fair and challenging education to our students,
 2. That is fiscally responsible to our taxpayers and community,
 3. No discrimination on people and programs when making these decisions.

10 YEAR ENROLLMENT HISTORY



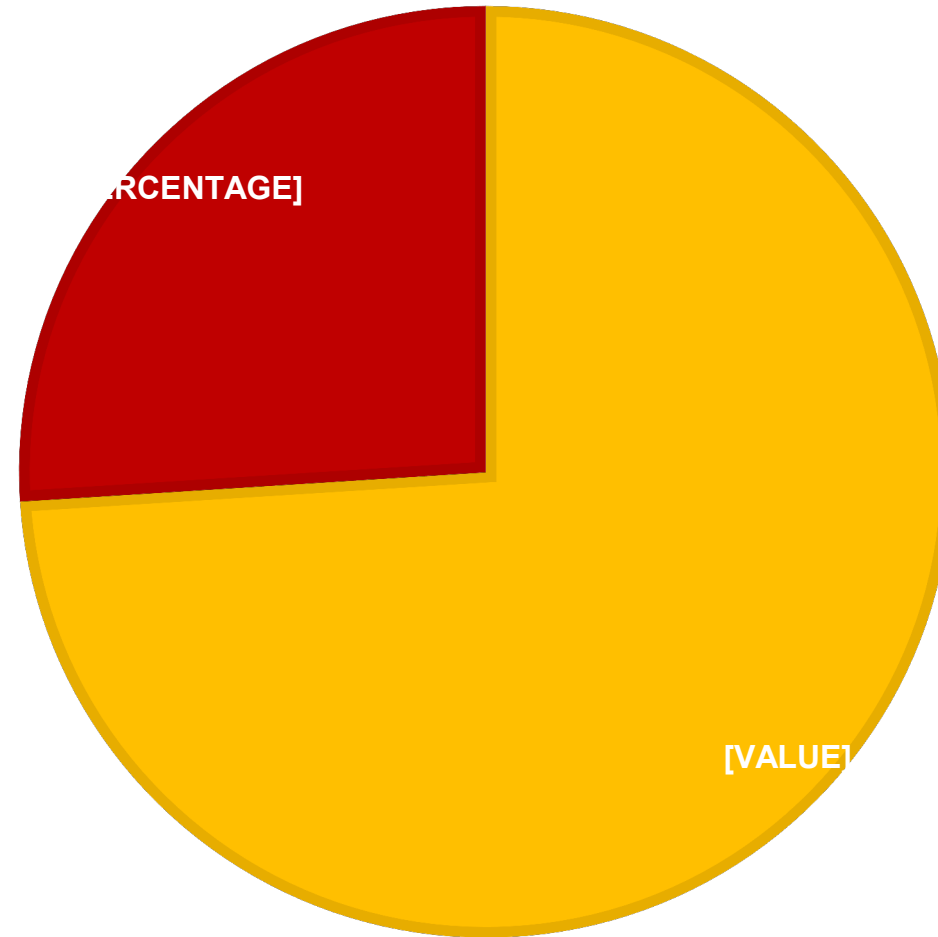
You will see over a 15% decline in student enrollment over that time period. Student enrollment declined by 459 students.

Source: Forecast5 Analytics; PA Dept. of Education



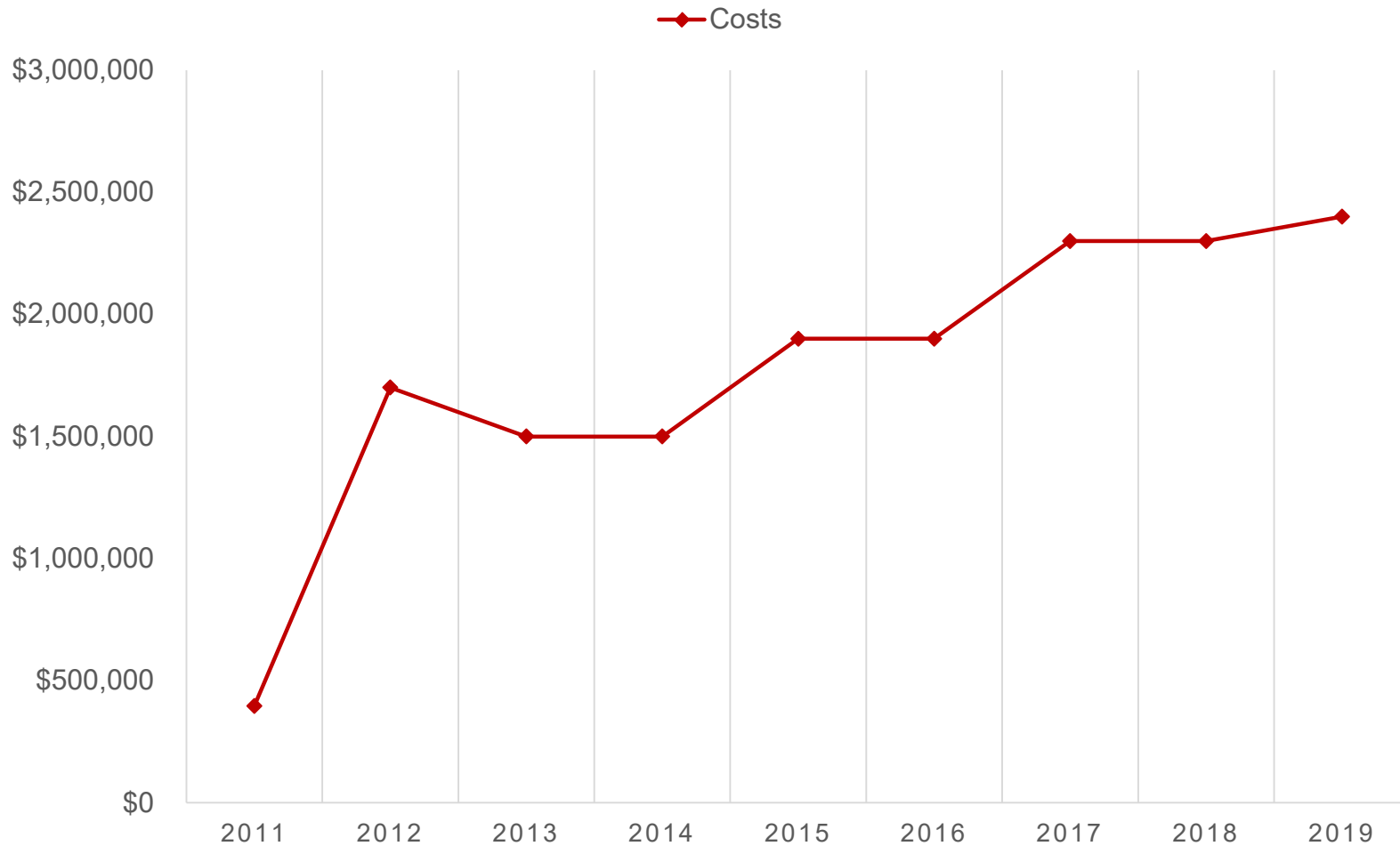
2018 COST DRIVERS

■ Salaries & Benefits ■ Other



Source: Forecast5 Analytics; PA Dept. of Education

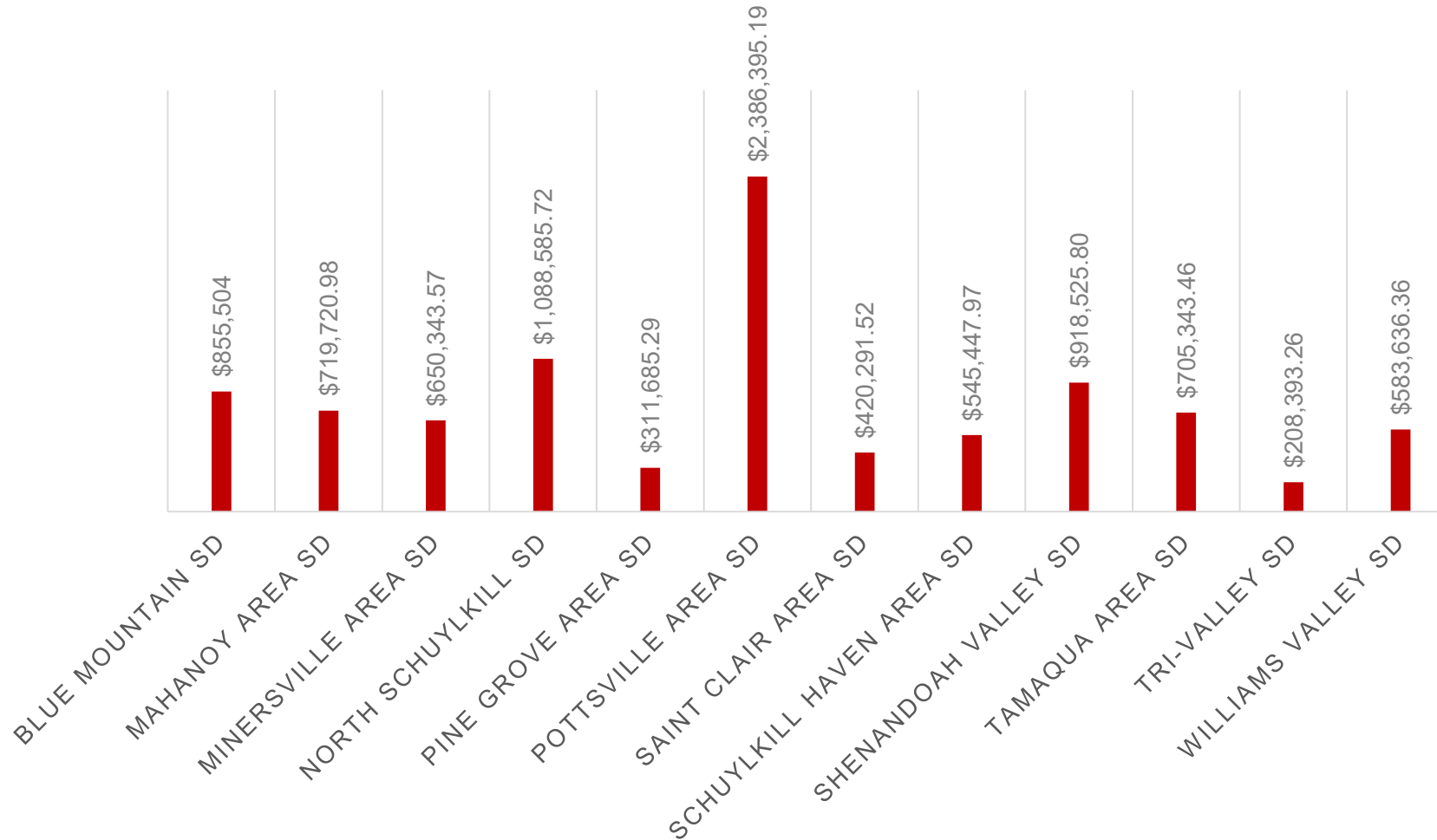
PASD CHARTER SCHOOL COSTS



Since 2008, PASD has spent over **\$14 million dollars** on Gillingham Charter School and cyber charter schools. Gillingham Charter School opened in 2011, preparations were not made in advance for the loss of students to Gillingham. When a student leaves PASD, the money for that student that the state would give to PASD, goes directly to Gillingham Charter School or a cyber charter. As these two budget areas costs were increasing, PASD was in the midst of a 12 year no tax hike stance.
Source: Forecast5 Analytics; PA Dept. of Education



CHARTER & CYBER CHARTER SPENDING

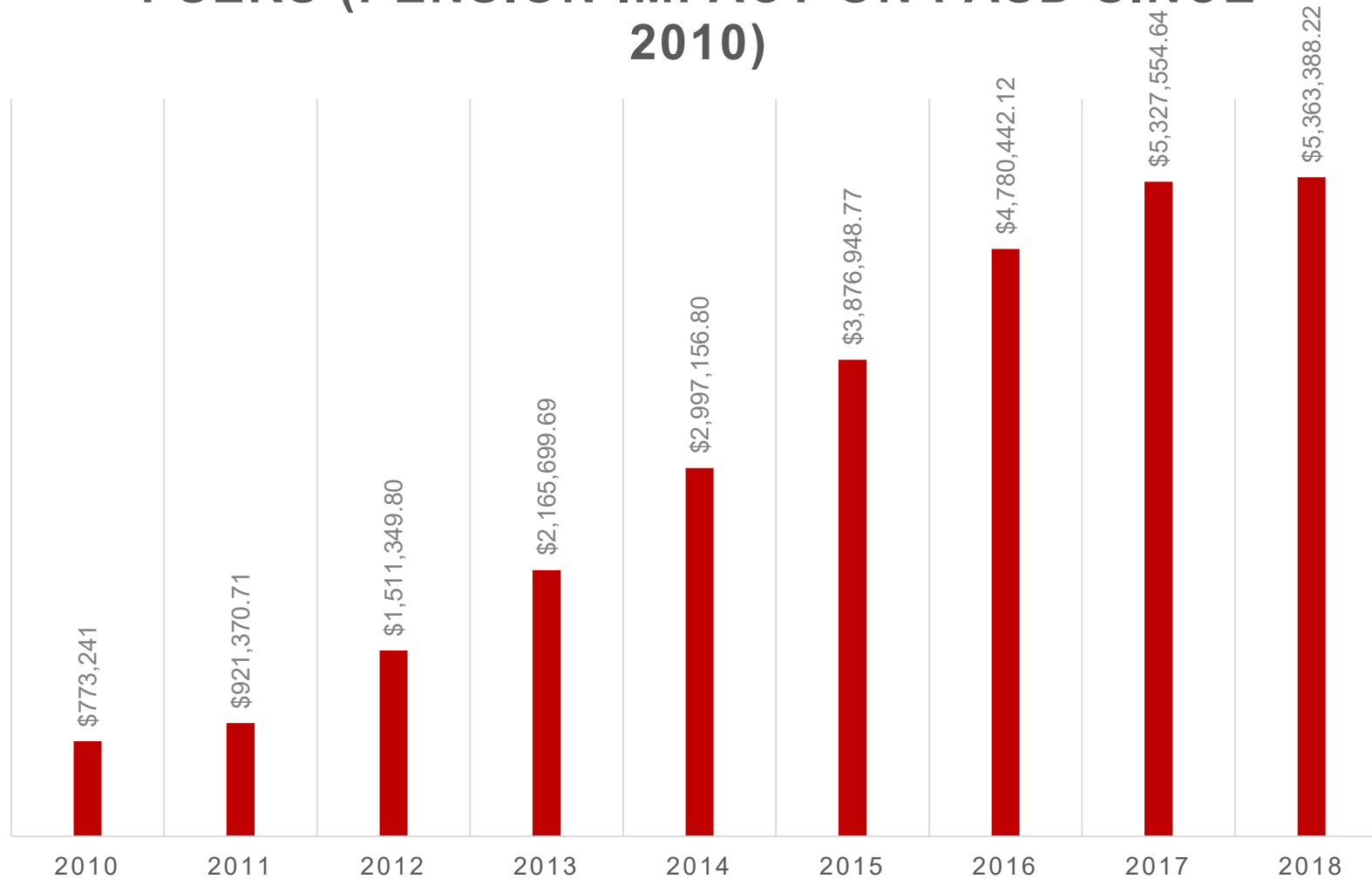


PASD has the highest charter school costs in Schuylkill County. It is important to note that PASD is the only district in the county with a brick and mortar charter school, which is Gillingham Charter School, located within its district boundaries.

Source: Forecast5 Analytics; PA Dept. of Education



PSERS (PENSION IMPACT ON PASD SINCE 2010)



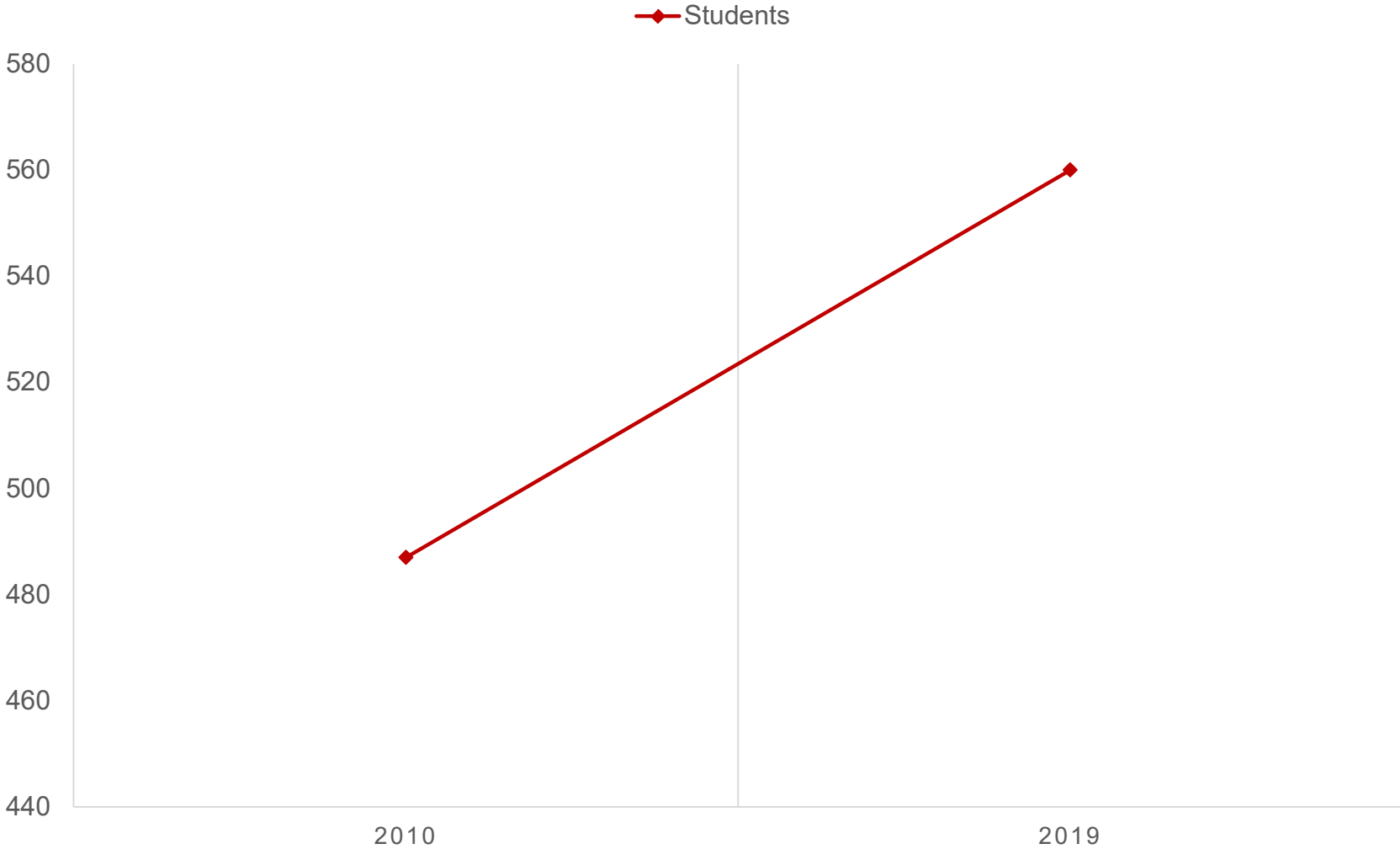
In 2008, the PSERS rate was **4.76%**. The rate rose each year to what is the current rate of **34.29%**. PASD's PSERS rate increased **594% during that time period.**

As these two budget areas costs were increasing, PASD was in the midst of a 12 year no tax hike stance. PSERS and Charter School together cost PASD over \$35.5 million dollars.

Source: Forecast5 Analytics; PA Dept. of Education



SPECIAL EDUCATION STUDENTS

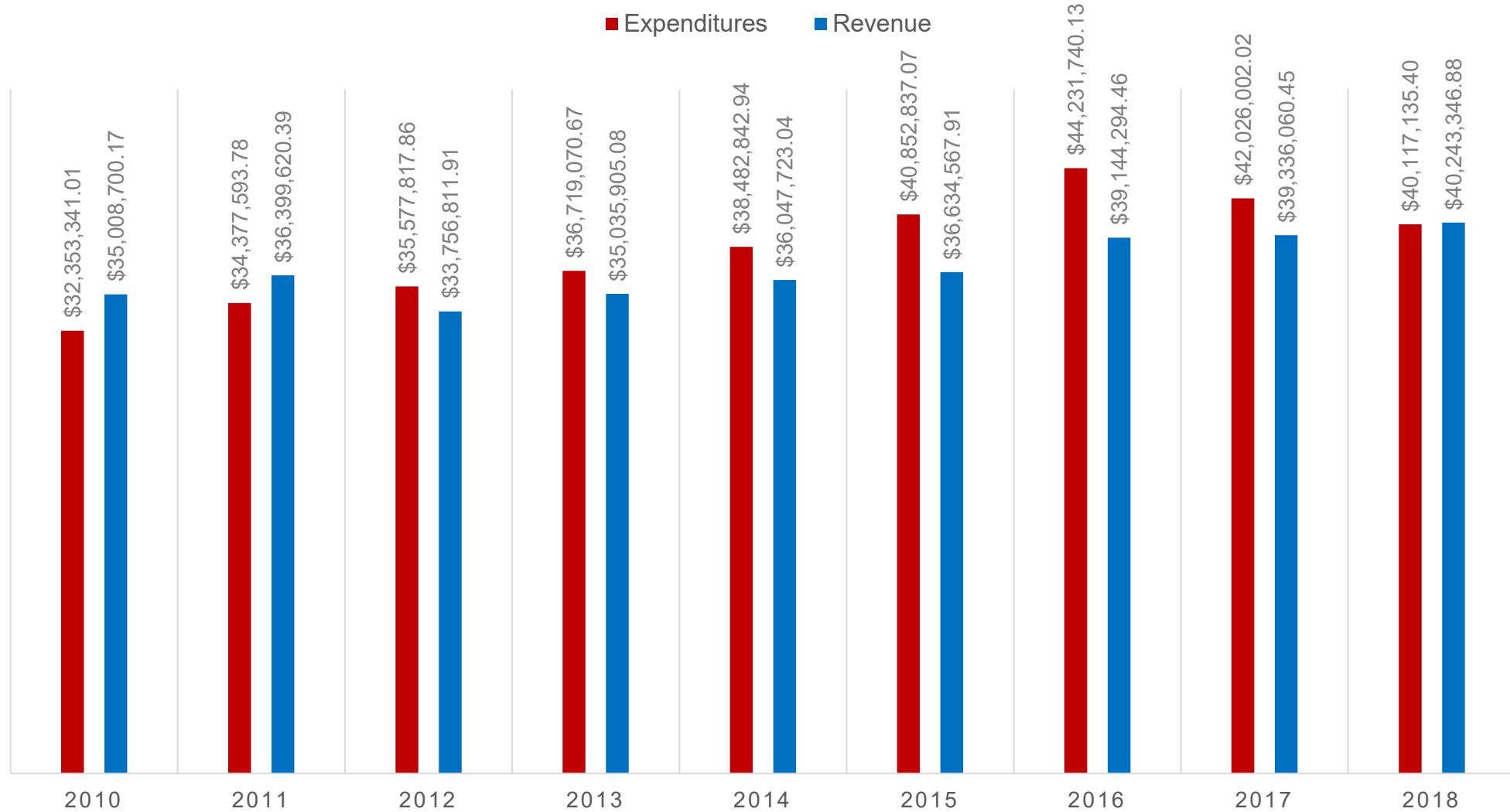


While student enrollment declined, our number of special education students increased from 487 students in 2010 to 560 students in 2019, a 15% increase over 9 years. That is 4% over the state average for special education students.

Source: Forecast5 Analytics; PA Dept. of Education



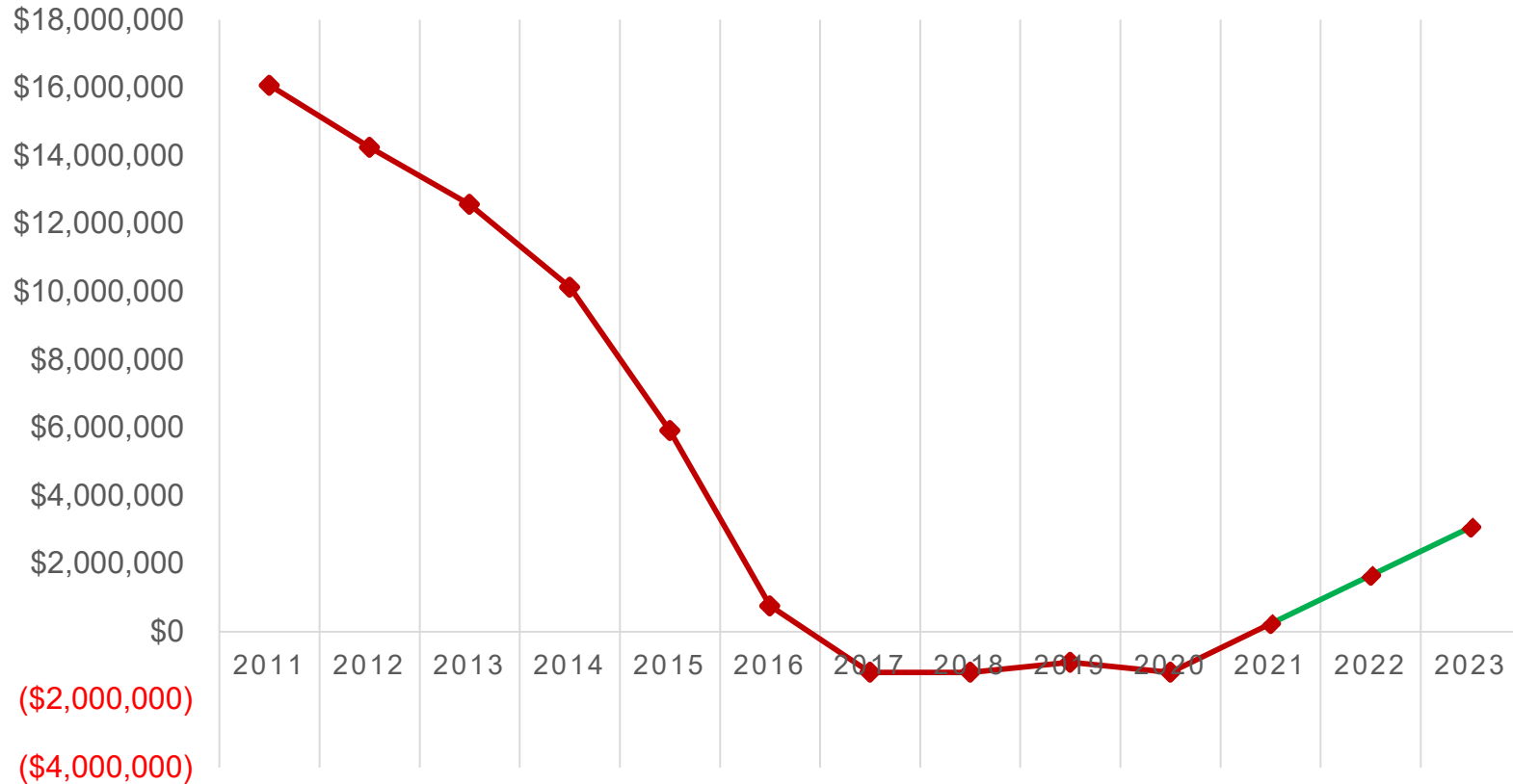
EXPENDITURES VS. REVENUE (2010-2018)



Source: Forecast5 Analytics; PA Dept of Education



FUND BALANCE CASH BURN 2011 --- 2020 & FUND BALANCE RESTORATION GOALS 2021 – 2023”.



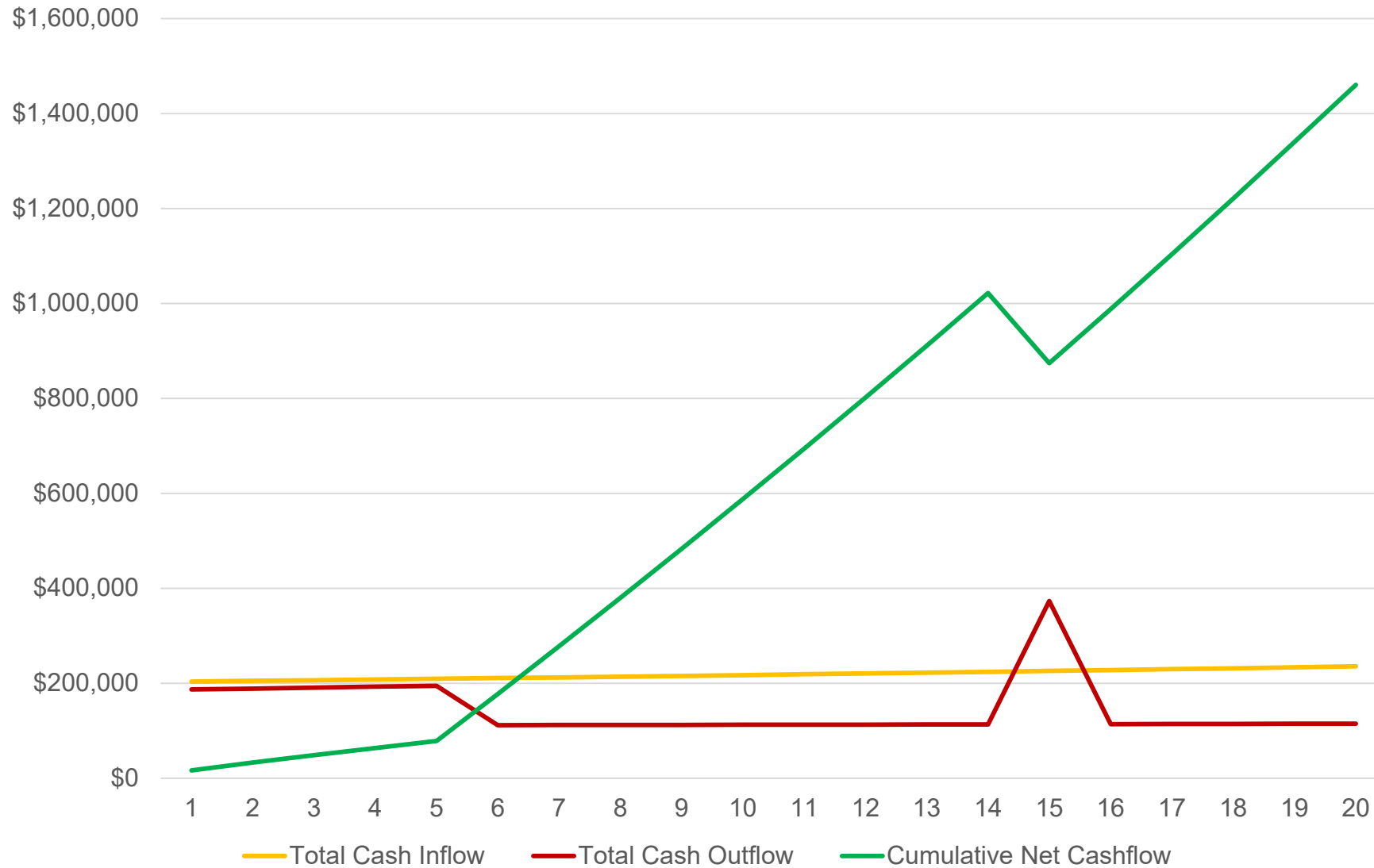
Expenses will be required to preserve the masonry of the Pottsville Area HS and stadium in the next 5 years. It is estimated to cost between \$2.5 and \$3 million.

Expenses will be required for HVAC at John S. Clarke Elem. School, DHH Lengel Middle School and the High School which are estimated to cost between \$2.5 & \$3 million. These will need to be factored in at some point.

Forecast for 2021, 2022, and 2023 are based on the assumptions known today. They can vary based on actual events which may occur in the future. *Source: Jones & Company Annual Audits*



40 YEAR CASH FLOW



Source: Green Works Development Analytics



SUMMARY

- Slide 3 — Admin staffing adjustments based on principles of:
 - providing solid and challenging education
 - fiscally responsible
 - no discrimination of people or programs
- Slide 4 — 15%+ enrollment decline
- Slide 5 — 74% of budget is payroll (i.e. staffing)
- Slide 6 — charter school costs—state mandated defective cost model cumulative amount to \$14 million to date with no tax increases or expense cut to offset until 2017
- Slide 8 — PSERS state mandated pension liability was 4.76% of payroll in 2008 increased to 34.29% of payroll currently with no tax increase or expense cuts to offset until 2017
- Slide 10-11 — Auditor General report: Chart 1, page 12 | page 21, Lack of Board Oversight regarding Policy No. 603 | Page 23, Conclusions-Recommendations
- Pennsylvania Dept. of Education recommends a fund balance surplus of two months of revenue. PASD would be \$6.7 million fund balance surplus. Best case for PASD, as we see it, would be \$5 million by 2025.
- Slide 12 — Solar — without solar, PASD would need to make additional cuts or tax increases from day one to make up cash flow provided
- At future board meetings, we intend to review more information on these topics in depth.