

Financial Facts

Board of Education: January 25, 2024

*We have **lived** our third district goal, “Practice Fiscal Responsibility.”*

1. Our current Five-Year Forecast predicts an \$18.4M deficit in Fiscal Year 2027.

	Actual				Average Change	Forecasted				
	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023			Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Revenue from Replacement/Renewal Levies										
11.020 Property Tax - Renewal or Replacement	\$0	\$0	\$0	0.0%	\$0	\$4,404,317	\$8,349,417	\$8,349,417	\$13,035,572	
11.300 Cumulative Balance of Replacement/Renewal Levies	\$0	\$0	\$0	0.0%	\$0	\$4,404,317	\$12,753,734	\$21,103,151	\$34,138,723	
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	\$26,019,456	\$35,536,000	\$39,448,867	23.8%	\$42,062,799	\$27,037,156	\$7,101,766	(\$18,425,316)	(\$49,216,738)	
15.010 Unreserved Fund Balance June 30	\$26,019,456	\$35,536,000	\$39,448,867	23.8%	\$42,062,799	\$27,037,156	\$7,101,766	(\$18,425,316)	(\$49,216,738)	

2. We have not passed a “new money” operating levy since 2011. Neighboring districts have received infusions of revenue more recently.

District	Most Recent Operating Levy Passage
North Olmsted	2022
Rocky River	2022
Brooklyn	2020
Fairview Park	2020
Strongsville	2019
Berea	2012
Cuyahoga Heights	2012
Parma	2011

3. Our tax rates are in the middle to bottom tier of Cuyahoga County. There are 81 tax districts in Cuyahoga County. (The Effective Tax Rate is expressed in dollars and cents on each \$1000 of tax value.)

City	Effective Tax Rate (Residential)	Rank in Cuyahoga County (out of 81)
Parma	71.42	64th

Parma Heights	75.17	48th
Seven Hills	76.30	42th

4. Conservative revenue projections, responsible spending, and aggressive use of ESSER to supplant general fund expenses have delayed our projected deficit by five fiscal years since this Superintendent and Treasurer began their tenures with PCSD.

Forecast (all November editions)	First Projected Deficit (\$)	First Projected Deficit (Year)
2018	\$5.1M	2022
2019	\$17.8M	2024
2020	\$10.5M	2025
2021	\$8M	2026
2022	\$6.6M	2026

5. We have aggressively used ESSER funds to supplant general fund expenses; two thirds of ESSER funding paid for functions that usually draw from the general fund.

a. *Supplanting:* District subs, College Now, Naviance, Parma Virtual Learning Academy (PVLA) Staff, Intervention Specialists, Deans of Students, Counselors, Career Tech Teachers, Teachers Learning Lab Tutors, Transportation pool, STEM allotments, Building Test Coordinators, Third Party Providers (Board Certified Behavioral Analysts)

- o FY 2021: \$483,800
- o FY 2022: \$7.3M
- o FY 2023: \$6.6M
- o FY 2024: \$7.2M
- o **Total: \$21.6M**

b. *Long-Term Resources:* Lighting and Turf at Byers Field, Curriculum (textbook adoptions): **\$4M**

c. *COVID expenses or the remediation of the effects of the pandemic:* Student fees, Digital Tools (ScreenCastify, APEX, Pear Deck, etc.), Summer School (No cost to families), Credit Recovery Stipends (tutoring), COVID cleaners, Chromebooks: **\$6M**

6. Our upward trend in the percentage of general fund dedicated to personnel is directly related to four factors:

- a. *We no longer serve as a “pass through” for charter schools to receive their funding. This was considered a “purchased service.”*
 - i. FY 2021: \$27,599,804 (18% of expenditures)
 - ii. FY 2024: \$12,160,285 (8% of expenditures)
- b. *We minimize “contracting out”, or purchasing services, instead saving money by utilizing our own personnel.*
 - i. Printshop
 - 1. 2020 Xerox/Comdac Study
 - a. 30M impressions outsourced: \$3M
 - b. 30M impressions from Printshop: \$750,000 (\$2.25M in savings)
 - ii. Mechanics
 - 1. Fairview Park pays a surcharge of \$12 to \$17.25/hour to use our mechanics
 - iii. DIS
 - 1. Manage own network instead of purchasing service
 - 2. KR Group estimates: \$42,000/year for building coverage, plus \$20/user per year (\$212,000) PLUS service charge for each request (cost varies)
- c. *We have our own Career Technical Education programs.*
 - i. In the districts that attend CVCC and Polaris, residents are paying an additional levy (Polaris Effective Tax Rate of 2.53) beyond their local school levies to support the career centers
 - ii. PCSD has approximately 30 FTEs as CTE program teachers = \$4.1M in salaries and benefits
 - iii. Federal and state funds pay for the operations of CTE beyond salaries and benefits
 - iv. Districts that use career centers are limited in the seats they can offer to students. For example, for welding a district receives 6 seats (3 AM/3 PM) from the career center while we provide 54 seats.
- d. *The 2020 creation of ACES allows us to educate many of our students with the most significant disabilities instead of placing them in external options.*

School Year	Tuition Savings (\$100,000/student)	District Expense (Salaries and Benefits)	Savings
2020-21	\$800,000	\$441,872	\$358,128
2021-22	\$1.6M	\$670,020	\$929,980
2022-23	\$2.4M	\$829,700	\$1,570,300
2023-24	\$2.7M	\$932,908	\$1,767,092

			\$4,625,500
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7. We feature a very “lean” central office, choosing instead to focus resources in schools, reducing spending here by \$1.8M since 2018.

a. 2018 reductions (examples):

2018 Model	Current Model
Elementary and Secondary Curriculum Directors	Executive Director of Curriculum
Four District Special Education Supervisors	Two District Special Education Supervisors
Director of Federal Programs	Abolished
Lead Mentor Teacher	Abolished
Director of Student Services	Abolished

8. 2022 “Trim Around the Edges” initiative resulted in \$1.3M in annual savings.

a. Reductions in Bus Duty stipends, Monitors, Teachers, Lunch Supervision assignments, Special Education Assistants

9. 2023 Consolidation (closing of Parma Senior High and Renwood and repurposing of Parma Park) has created an annual net savings of \$3.2M (general fund).

- a. PSH Savings (supplementals, utilities, support staff, administration, security): \$2.7M
- b. RW Savings: \$462,000
- c. PP Savings: \$217,000
- d. Certified staff: \$360,000
- e. Added cost: Transportation (High school busing): \$500,000

10. Our teachers’ starting salary at both the Bachelor’s and Master’s degree levels are the lowest in Cuyahoga County. Lowest five listed below:

District	BA Starting Salary	MA Starting Salary
Strongsville City	\$44,619	\$50,342
Berea City	\$43,019	\$47,692
Olmsted Falls City	\$42,950	\$47,638
Warrensville Heights City	\$42,597	\$48,433
Parma City	\$42,320	\$46,552

11. Our average teachers’ salary is comparable to that from neighboring districts.

District	Average Teacher's Salary
North Olmsted	\$92,080
Brecksville-Broadview Heights	\$91,941
Independence	\$86,202
North Royalton	\$83,819
Brooklyn	\$82,959
Cuyahoga Heights	\$82,816
Parma	\$81,632
Strongsville	\$80,346
Berea	\$79,160

We have 136 teachers (18%) in their 25th or higher year of service. We have offered an Early Retirement Incentive to minimize expenditures at the upper end of our salary schedule.

12. Special education is expensive both within the district and for the non-public schools we serve for this purpose.

- a. 1621 (17.6%) of our students have a disability
- b. District expenditures in FY 2023: \$30.7M
 - i. State support: \$2.8M
 - ii. Catastrophic Costs: \$500,000
 - iii. Medicaid: \$1.1M
 - iv. Federal support (Title VI-B): \$4.4M
 - v. John Peterson/Autism Scholarship (JP/AU) reimbursement: \$3M
 - vi. Local share: \$18.9M
- c. We provide for non-public schools in our district
 - i. Financial management for their Title and Auxiliary (federal) funds
 - ii. English Learner testing
 - iii. Individualized Service Plans (85 currently)
 - 1. Evaluation Team Reports (ETRs)
 - iv. Intervention specialists, speech therapists to five schools
- d. John Peterson (JP) and Autism (AU) Scholarship provisions
 - i. 200 otherwise PCSD students in 45 different educating entities
 - ii. Complete Individualized Educational Plans (IEPs) and ETRs for all JP/AU students in a school within our boundaries,
 - iii. Complete ETRs for JP/AU students even if they are non-resident students
- e. Contracting out for special education services would be even more expensive
 - i. Hourly rate for a third party school psychologist is \$82/hour (\$120,704/year), ours are on our teacher salary schedule

13. We aggressively seek funding and programs external to our tax revenues.

Award Name	Amount	Timeline
OFCC School Safety	\$78,489.02	FY23
OFCC School Safety	\$1,233,510.00	FY24
Stronger Connections	\$144,637.53	FY24
Attorney General School Safety	\$50,949.58	FY 23
Attorney General School Safety	\$50,912.08	FY24
CTE Expansion Grant	\$4,116,570.00	FY 24-26
Federal Emergency Management Agency	\$274,841.78	FY20-FY23
Community Connectors	\$240,000	FY18 and FY19
FAST	\$60,000	FY 19-FY24
ESC APR Grant Extended Learning	\$52,029.80	FY23
ESC APR Grant Extended Learning	\$52,156.32	FY24
College Now Xplore	Provided College Now advisors and career/college exploration activities for high school students	FY23 and FY24
College Now Upward Bound	Provided College Now advisor to high school buildings for intense career and college readiness activities students in grades 9 to 11 that are either 1st generation college students or economically disadvantaged	FY22 to FY26
21st Century Learning Centers	\$850,000	FY18 to FY22 High School Discovery Center

21st Century Learning Centers	\$850,000	FY19 to FY22 Ridgebrook/Thoreau Park
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14. We cannot “cut” our way out of the projected 2027 deficit. Failure to pass an operating levy will result in exploration of our three “nuclear options”:

- i. Increased class sizes
- ii. High pay-for-participate fees
- iii. Limiting high school student day to five classes