



# POTTSGROVE SCHOOL DISTRICT

Bradley C. Landis, Ed.D.  
SUPERINTENDENT

Shellie A. Feola  
ASSISTANT SUPERINTENDENT

To: Pottsgrove School District Staff and Community  
From: Bradley Landis  
Re: Governor Corbett's Proposed Budget Cuts- Impact on Pottsgrove School District  
Date: March 9, 2011

The governor announced his proposed budget on March 8<sup>th</sup> (see attached) with severe cuts to public education. Reductions were made to many categories. Prior to the release of the governor's budget we had been anticipating a reduction in Basic Education Subsidy. This loss of revenue was already considered in our budget process for the 2011-12 budget. The reduction in Basic Education Subsidy amounted to a loss of \$717,740 for Pottsgrove, which resulted in a \$1.2 million budget deficit in the preliminary budget adopted in January. What we did not expect was a reduction in funding for the following areas:

Accountability Block Grants:	\$400,612
Charter School Funding:	\$327,000
Dual Enrollment:	\$10,000
<b>TOTAL:</b>	<b>\$737,612</b>

These numbers represent additional revenue reductions we'll need to make from our budget model for the 2011-12 school year, which would bring the 2011-2012 budget deficit close to \$2 million. We had been working diligently to reduce the initial deficit estimated in the preliminary budget without having a significant impact on the classroom and programs. With the governor's proposed budget, it becomes even more of a challenge to balance a budget without having a major impact on our programs. The Act 1 tax increase is limited to 1.8%. In order to balance the budget it will be necessary to find other revenues or reduce expenses further.

Administration will be discussing strategies to address this new challenge with the school board during our regularly scheduled meetings on March 22 and April 12. We will also be sharing this new information with the Community Budget Task Force who will be making cost cutting recommendations to the School Board at the April 12<sup>th</sup> meeting. If the governor's proposed budget remains unchanged, we will be faced with making some very significant budget decisions before we pass a final budget in June. As programs and services are discussed for possible reductions, we will keep our staff and community informed.

We appreciate your patience as we work through this difficult period. We will continue to keep our students best interest as a top priority.

**DEPARTMENT OF EDUCATION  
SUMMARY OF STATE APPROPRIATIONS  
MARCH 2011  
(Dollar Amounts in Thousands)**

	FY 2009-10	FY 2010-11	FY 2011-12		
			2011-12 Governor's Executive Budget	Variance Between 2010-11 Available and 2011-12 Governor's Executive Budget	% Increase/Decrease
<b>GENERAL FUND</b>					
<b>GENERAL GOVERNMENT OPERATIONS</b>					
General Government Operations	26,399	26,232	24,449	(1,783)	-6.80%
Information and Technology Improvement	3,465	2,514	4,266	1,752	69.69%
PA Assessment	37,620	32,600	36,590	3,990	12.24%
State Library	2,372	2,245	2,081	(164)	-7.31%
<b>TOTAL GENERAL GOVERNMENT</b>	<b>69,856</b>	<b>63,591</b>	<b>67,386</b>	<b>3,795</b>	<b>5.97%</b>
<b>INSTITUTIONAL</b>					
Youth Development Centers	11,039	10,606	10,606	-	0.00%
<b>TOTAL INSTITUTIONAL</b>	<b>11,039</b>	<b>10,606</b>	<b>10,606</b>	<b>-</b>	<b>0.00%</b>
<b>GRANTS &amp; SUBSIDIES</b>					
<b>SUPPORT OF PUBLIC SCHOOLS</b>					
Basic Education Funding (1)	4,868,741	4,733,523	5,226,142	492,619	10.41%
Basic Education Formula Enhancements	2,000	1,984	-	(1,984)	-100.00%
Dual Enrollment Payments	8,000	6,959	-	(6,959)	-100.00%
School Improvement Grants	11,326	10,797	-	(10,797)	-100.00%
PA Accountability Grants	271,425	259,456	-	(259,456)	-100.00%
Pre-K Counts	85,512	85,240	83,620	(1,620)	-1.90%
Head Start Supplemental Assistance	38,696	38,384	37,655	(729)	-1.90%
Education Assistance Program	55,342	47,606	-	(47,606)	-100.00%
Science: It's Elementary	13,489	6,910	-	(6,910)	-100.00%
Mobile Science Education Program	1,710	1,600	-	(1,600)	-100.00%
Teacher Professional Development	22,750	21,563	7,250	(14,313)	-66.38%
Adult and Family Literacy	17,625	14,887	12,413	(2,474)	-16.62%
Career and Technical Education	62,000	62,000	62,000	-	0.00%

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Authority Rentals and Sinking Fund Requirements	318,500	314,937	299,190	(15,747)	-5.00%
Pupil Transportation	518,093	533,355	546,758	13,403	2.51%
Nonpublic and Charter School Pupil Transportation	78,876	76,205	76,640	435	0.57%
Special Education	1,026,815	1,026,815	1,026,815	-	0.00%
Early Intervention	173,585	182,142	198,116	15,974	8.77%
Tuition for Orphans and Children Placed in Private Homes	57,116	56,729	57,227	498	0.88%
Payments in Lieu of Taxes	180	188	194	6	3.19%
Education of Migrant Laborers' Children	1,142	1,088	907	(181)	-16.64%
Scranton State School for the Deaf - Transition	5,400	-	-	-	0.00%
PA Charter Schools for the Deaf and Blind	36,801	39,401	39,401	-	0.00%
Special Education - Approved Private Schools	98,098	98,098	98,098	-	0.00%
Intermediate Units	5,554	4,761	-	(4,761)	-100.00%
School Food Services	30,820	30,063	30,525	462	1.54%
School Nutrition Incentive Program (2)	2,970	2,876	3,327	451	15.68%
School Employees' Social Security	535,013	551,155	530,040	(21,115)	-3.83%
School Employees' Retirement	342,576	287,562	615,086	327,524	113.90%
School Entity Demonstration Projects	-	600	-	(600)	-100.00%
High School Reform	3,663	1,762	-	(1,762)	-100.00%
<b>SUBTOTAL-SUPPORT OF PUBLIC SCHOOLS</b>	<b>8,693,818</b>	<b>8,498,646</b>	<b>8,951,404</b>	<b>452,758</b>	<b>5.33%</b>
<b>OTHER GRANTS AND SUBSIDIES</b>					
Lifelong Learning	-	825	-	(825)	-100.00%
Services to Nonpublic Schools	89,082	88,352	87,257	(1,095)	-1.24%
Textbooks, Materials and Equipment for Nonpublic Schools	27,243	27,020	26,543	(477)	-1.77%
Public Library Subsidy	60,000	54,549	53,507	(1,042)	-1.91%
Library Services for Visually Impaired and Disabled	2,926	2,729	2,729	-	0.00%
Recording for the Blind and Dyslexic	-	69	-	(69)	-100.00%

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Library Access	2,970	3,000	3,000	- 0.00%
Job Training Programs	3,577	3,442	-	(3,442) -100.00%
Reimbursement of Charter Schools	226,936	224,083	-	(224,083) -100.00%
Safe School Initiative	-	-	2,150	2,150 100.00%
<b>SUBTOTAL-OTHER GRANTS AND SUBSIDIES</b>	<b>412,734</b>	<b>404,069</b>	<b>175,186</b>	<b>(228,883) -56.64%</b>
<b>TOTAL BASIC EDUCATION &amp; LIBRARY FUNDING</b>	<b>9,117,591</b>	<b>8,913,321</b>	<b>9,137,196</b>	<b>223,875 2.51%</b>
<b>HIGHER EDUCATION-OTHER GRANTS &amp; SUBSIDIES</b>				
Community Colleges	214,217	214,217	212,167	(2,050) -0.96%
Transfer to Community College Capital Fund (Community College Capital Leases/Debt Service)	46,369	46,369	46,369	- 0.00%
Regional Community Colleges Services	585	568	-	(568) -100.00%
<b>SUBTOTAL - COMMUNITY COLLEGES</b>	<b>261,171</b>	<b>261,154</b>	<b>258,536</b>	<b>(2,618) -1.00%</b>
Public Higher Education Assistance	360	1,250	-	(1,250) -100.00%
Community Education Councils	1,800	1,400	-	(1,400) -100.00%
Medical College in NE PA (Medical School Assistance)	3,850	3,850	-	(3,850) -100.00%
Thaddeus Stevens College of Technology	8,550	8,550	9,788	1,238 14.48%
<b>SUBTOTAL- HIGHER ED OTHER GRANTS &amp; SUBSIDIES</b>	<b>275,731</b>	<b>276,204</b>	<b>268,324</b>	<b>(7,880) -2.85%</b>
<b>STATE SYSTEM OF HIGHER EDUCATION</b>				
SSHE - State Universities	444,470	444,470	232,599	(211,871) -47.67%
SSHE - Recruitment of Disadvantaged	446	446	-	(446) -100.00%
SSHE - Pa Center for Environmental Education	368	368	-	(368) -100.00%
SSHE - McKeever Center	213	213	-	(213) -100.00%
SSHE - Affirmative Action	1,152	1,152	-	(1,152) -100.00%

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SSHE - Program Initiatives	18,548	18,548	-	(18,548)	-100.00%
<b>SUBTOTAL-STATE SYSTEM OF HIGHER EDUCATION</b>	<b>465,197</b>	<b>465,197</b>	<b>232,599</b>	<b>(232,598)</b>	<b>-50.00%</b>
<b>STATE-RELATED UNIVERSITIES</b>					
PSU - General Support	304,449	304,449	152,225	(152,224)	-50.00%
PSU - Pennsylvania College of Technology	13,623	13,623	12,869	(754)	-5.53%
<b>SUBTOTAL-PENN STATE UNIVERSITY</b>	<b>318,072</b>	<b>318,072</b>	<b>165,094</b>	<b>(152,978)</b>	<b>-48.10%</b>
PITT - General Support	160,490	160,490	80,245	(80,245)	-50.00%
<b>SUBTOTAL - UNIVERSITY OF PITTSBURGH</b>	<b>160,490</b>	<b>160,490</b>	<b>80,245</b>	<b>(80,245)</b>	<b>-50.00%</b>
TEMPLE - General Support	164,974	164,974	82,487	(82,487)	-50.00%
<b>SUBTOTAL-TEMPLE UNIVERSITY</b>	<b>164,974</b>	<b>164,974</b>	<b>82,487</b>	<b>(82,487)</b>	<b>-50.00%</b>
LINCOLN - General Support	13,623	13,623	6,812	(6,811)	-50.00%
<b>SUBTOTAL-LINCOLN UNIVERSITY</b>	<b>13,623</b>	<b>13,623</b>	<b>6,812</b>	<b>(6,811)</b>	<b>-50.00%</b>
<b>TOTAL STATE-RELATED UNIVERSITIES</b>	<b>657,159</b>	<b>657,159</b>	<b>334,638</b>	<b>(322,521)</b>	<b>-49.08%</b>
<b>NON-STATE-RELATED UNIVERSITIES, COLLEGES AND INSTITUTIONS</b>					
Drexel University	781	-	-	-	0.00%
University of Pennsylvania - Dental Clinics	-	-	-	-	0.00%
University of Pennsylvania - Medical Programs	-	-	-	-	0.00%
Philadelphia College of Osteopathic Medicine	733	-	-	-	0.00%
Lake Erie College of Osteopathic Medicine	207	-	-	-	0.00%
Salus University	189	-	-	-	0.00%
Philadelphia University of the Arts	135	-	-	-	0.00%

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<b>SUBTOTAL NON-STATE-RELATED UNIVERSITIES AND COLLEGES</b>	<b>2,045</b>	-	-	-	<b>0.00%</b>
Johnson Technical Institute	21	-	-	-	0.00%
Williamson Free School of Mechanical Trades	8	-	-	-	0.00%
<b>SUBTOTAL NON-STATE-RELATED INSTITUTIONS</b>	<b>29</b>	-	-	-	<b>0.00%</b>
<b>TOTAL HIGHER EDUCATION</b>	<b>1,400,161</b>	<b>1,398,560</b>	<b>835,561</b>	<b>(562,999)</b>	<b>-40.26%</b>
<b>GRAND TOTAL GENERAL FUND</b>	<b>10,587,608</b>	<b>10,375,472</b>	<b>10,040,143</b>	<b>(335,329)</b>	<b>-3.23%</b>

**GENERAL FUND - FOOTNOTES**

- (1) FY2010-11 - Includes recommended appropriation reduction of \$387,816,000.
- (2) Appropriated as Rx for PA - School Food Services in FY2009-10 and FY2010-11.