

PUBLIC SCHOOLS

IMPORTANT NEWS ABOUT OUR SCHOOLS & STUDENTS

WINTER 2012



EXCELLENCE in Public Education

Montgomery County is home to 22 public school districts* with 150 schools that provide the excellence in education our parents, students and communities expect and deserve.

Serving 108,768 students from kindergarten through 12th grade, Montgomery County districts educate diverse student bodies, with some located in the rural parts of the county such as Souderton and Pottsgrove school districts, while others serve more suburban areas, such as Cheltenham, or the county's urban communities, such as Norristown Area School District. District enrollment is vastly different, ranging from a low of 583 students in Jenkintown School District to a high of 12,690 students in North Penn School District.

Despite the many differences between districts, all Montgomery County school districts are recognized for their academic excellence, providing a rigorous and relevant curriculum that emphasizes students' personal, social, academic growth and achievement to prepare them for success in today's world. Our districts rank among the best in the state in terms of academic achievement, evidenced by high performance on standardized testing, graduation rates, and the high number of students who pursue post-secondary education.

All Montgomery County districts offer a wide variety of enrichment activities and programs, including a full range of world language programs, gifted programs, honors and advanced placement courses. Extracurricular offerings include athletics, drama, clubs, and other activities that develop social skills and leadership and nurture creativity. Additionally, students interested in obtaining specialized career training or college credits in a technical program have access to the county's four state-of-the-art career-technical centers.

Forbes Magazine ranked Montgomery County the 9th best community in the nation in its assessment of "America's Best Places To Raise A Family" (2008) due in large part to the quality of our school districts.

*Bryn Athyn School District is not included as part of this newsletter. It is considered a public school district in Montgomery County, but it has never contained a school. Students attend private schools operated by the General Church of the New Jerusalem or Lower Moreland Township School District.

A Taxpayer's Guide to School Budgets: The Budget Process

By June 30, 2012 school districts across Montgomery County must adopt their budgets for the 2012-13 school year. But for most districts, the process of developing a budget begins much earlier - usually a full year in advance - with administrators and school directors working hard to put the pieces of the budget into place.

In the early fall of each school year, districts typically start the budget process by examining the projected enrollment, the district's current programs and expenses, contract-mandated increases (salaries, health care, pension), rising operational costs for district facilities and revenue projections.

In September, the Pennsylvania Department of Education (PDE) notifies districts with the Act 1 "adjusted base index" rate - the amount which districts are allowed to raise real estate property taxes.

Districts use these vital pieces of information to start crafting a preliminary budget, which must be completed in January each year. However, the numbers continue to be revised for many more months. Public meetings are typically held in the spring each year with revisions made based on community feedback.

If a district determines the need to go to referendum to seek voter approval for a tax increase above the Act 1 index, it must notify PDE and get approval on the referendum question by February 24. This year's primary election is April 24th.

If there is a tax increase referendum on the ballot and voters reject it, a district cannot raise taxes more than its index; and therefore, must go back and reevaluate expenditures and make budget reductions that can negatively impact programming and services for students.

A proposed final budget must then be finalized and sent to PDE by May 31st. Final approval by the school Board of Directors is required by June 30th. A school district's budget, however, is never final until the state budget is approved and a final determination is made on district allocations. Although, the Legislature's deadline for state budget approval is June 30th of each year, the final budget adoption has been delayed as late as October.

Budget primer continued on page 3

Montgomery County School Districts

Abington
Cheltenham Township
Colonial
Hatboro-Horsham
Jenkintown
Lower Merion
Lower Moreland Township
Methacton
Norristown Area
North Penn
Perkiomen Valley
Pottsgrove
Pottstown
Souderton Area
Springfield Township
Spring-Ford Area
Upper Dublin
Upper Merion Area
Upper Moreland
Upper Perkiomen
Wissahickon

This publication is produced by a consortium of 21 school districts and the Montgomery County Intermediate Unit (MCIU).

Public School Highlights

- 🍏 Montgomery County public schools are credited with a 96.12% graduation rate for 2010/2011
- 🍏 Average SAT scores are 1,564 (math, writing and verbal combined) compared to a statewide average score of 1,473
- 🍏 79.8% of Montgomery County graduates from 2010/2011 pursued post-secondary education at a 2 or 4 year college or university
- 🍏 86.7% of all students in Montgomery County scored at a proficient or advanced level in math on the Pennsylvania System of School Assessment (PSSA) test for 2011, while 84.1% of all students performed at a proficient or advanced level in reading. These numbers exceed the state goals of 67% and 72% respectively for math and reading for the 2011 school year.
- 🍏 Montgomery County teachers have 12 years teaching experience on average, are all state certified, and considered "highly qualified," the highest designation possible under the No Child Left Behind Act.

Source: Pennsylvania Department of Education and Pennsylvania School Boards Association



It's not too early to start thinking about your child's future. Beginning in middle school, there's plenty to do to help him or her get ready for college.

Here are 10 things the College Board recommends for students:

1. **Take challenging courses.** Colleges do look at grades, but they also pay attention to how tough your child's courses are. They want to see the student has accepted challenges. He or she may be able to get college credit for advanced courses, such as AP® courses.
2. **Read regularly.** Your child should read at least 30 minutes every day, in addition to studying and doing homework. This habit pays off on standardized tests. People who read more know more.
3. **Take standardized tests.** Your child should keep options open by planning to take a college admission test like the SAT®. Some

4. **Ask for help if you need it.** Encourage your child to ask for help if he or she is having trouble in a class. Find out what type of tutoring or other assistance is available. Let the counselor and teacher know you want extra help for your child.

5. **Get the facts.** Encourage your child to find out about college admission, academics and campus life by talking to the school counselor or other students who are now in college. Your child should talk to a career planner at a local college, or a high school teacher or college professor. Help them do research online or in the library.
6. **Find ways to get involved.** Getting ready for college isn't all work. Help your child find something he or she really likes doing - sports, student council, music or art. Joining a school group or club develops skills and shows colleges that a student has commitment and motivation.
7. **Reach out to teachers/counselors.** Parents know their child better than anyone and can help him/her to make good choices. Don't shy away from working with your child's teachers and counselors to help your child prepare for college.
8. **Look for a mentor.** Encourage your child to look for another adult (teacher, coach, relative, neighbor) who works in a job or is involved in an activity that interests your child. Finding a mentor will help your child succeed at his/her goals.
9. **Confront personal roadblocks.** If your child has a problem that's getting in the way of schoolwork, don't ignore it. Encourage him/her to talk to someone they trust and respect – friend, family member, teacher, coach, nurse, counselor – anyone who might be able to offer advice or help.
10. **Work hard.** If your child expects to go to college later, he or she has to study now. Explain and stress the importance of working hard.

What Pennsylvanians Really Think about Public Education

There's a lot of discussion and news coverage about the perceived failings of America's public education system, but what is the public's real perception of our nation's schools?

A poll conducted by The Education Policy and Leadership Center (EPLC) in October 2011 shows that Pennsylvania voters overwhelmingly value public education, support an increase in state funding for the 500 school districts statewide, and support public school choices, while opposing the use of taxpayer funds for private school tuition.

- 93% of those surveyed agreed that “high quality public schools are vital for the success of Pennsylvania's economy.”
- 62% were in favor of a higher level of state funding in general, and specifically, in poorer school districts to reduce the funding disparity with wealthier districts.
- 82% agreed with the statement that adequate funding for school districts “should be maintained in both good and poor economic times, even if it means lawmakers must make politically difficult decisions concerning additional state revenues and/or cuts to other programs.”

Another poll, conducted in September 2011 by Terry Madonna Opinion Research, also asked Pennsylvanians for their opinions on a variety of education reform initiatives.

- By a margin of nearly two to one, respondents indicated strong opposition to tuition “vouchers,” which would give state tax dollars to parents to send their children to a private school of their own choosing.
- 57% of Pennsylvanians oppose an increase in the number of charter schools in their communities. By an even larger majority, 62% of Pennsylvanians oppose “outsourcing” public school operations to for-profit companies.

According to the 2011 annual PDK/Gallup Poll of the Public's Attitudes Toward the Public Schools (a nationwide poll), more than 70 percent of Americans say they have trust and confidence in the men and women who are teaching in public schools.

- 69% of Americans give public school teachers in their community a letter grade of an A or B, compared to only 50 percent in 1984.
- Three out of four Americans said they would encourage the brightest person they know to become a teacher.
- 67% also said they would like to have their child choose a public school teaching career.
- 76% believe we should be actively recruiting our high-achieving high school students to consider teaching as a career.



School Funding Sources

Where does the operating money for public schools come from?

As in most states, school districts in Pennsylvania receive their money from three separate sources: locally raised and distributed monies, a state appropriation, and federal funds. These three streams form the pool of money school districts work with to create their budgets.

For the 2009-10 academic year, Montgomery County public schools received most of their revenue from local property and income taxes (78%). The remaining money came from state funds (17%), federal funds (2.5%) and other miscellaneous revenue (.5%).

State & Federal Funding:

In 2008, the General Assembly approved a new funding formula, which included a six-year plan to fully fund the new education formula with an additional \$2.6 billion. Following an initial investment of state funds in the first year of the formula, the legislature has since used federal funds to provide overall increases while decreasing the state's own commitment of money to support basic education.

Almost every state pays a larger percentage of overall public education costs than Pennsylvania. On average, other states contribute 48 percent of total education funding. Pennsylvania contributes only 35 percent. As a result, Pennsylvania ranks 4th among the 50 states in our dependence on

local taxes to support public education. Governor Corbett's budget for 2010-2011 eliminated over one billion dollars of K-12 education funding, marking the most significant and unprecedented reduction in education funding in the state of Pennsylvania.

During a two-year period (2009-2010 and 2010-2011), the state's basic education subsidy to its school districts was bolstered by \$1.043 billion in federal funds (including the federal stimulus program and the education jobs program). None of these funds were available after September 30, 2011.

Local Revenues:

For most Pennsylvania school districts the main source of local revenue is the property tax, followed by either an earned income tax (EIT) or personal income tax (PIT). Due to continued decreases in state and federal funding, local revenues now account for approximately 78% of our public school districts' budgets. Property taxes are the total of the value of the land and any buildings on the land based within the borders of a school district. The County Board of Property Assessment and Appeals has the legal responsibility for determining the value of land for taxing purposes. Property taxes in a school district increase for several specific reasons:

- Changes in the base value of all property
- Decrease in the actual collection of revenues
- Increased need for revenue

Source: Pennsylvania School Boards Association

What is Act 1?

The Taxpayer Relief Act enacted in 2006, commonly called "Act 1," introduced major changes and new deadlines into the school district budget process. Act 1 is intended to reduce taxes for homeowners and farmers and allow voters to control school tax increases.

The Act 1 index limits the amount that school districts can raise real estate property taxes. It is calculated by the Pennsylvania Department of Education (PDE) no later than September 1 of each year.

What is the Act 1 index for next year?

The index, based on statewide wages and inflation, has ranged from 2.9% to 4.4% over the last five school years. For fiscal year 2011-2012 the base index was 1.4% (the lowest in the history of the act) and for fiscal year 2012-2013, the base index is 1.7%.

What does this mean for Montgomery County taxpayers?

School districts cannot raise real estate taxes for the 2012-2013 budget by more than 1.7%, regardless of increases to the district budget such as salaries, healthcare costs, pension costs, utilities, and maintenance.

However, because school districts may face expenses that are beyond their control or are unforeseen, Act 1 allows districts to seek exceptions for budgetary increases over the index in some circumstances.

Exceptions currently allowed include:

- Electoral Debt
- Special Education Costs
- Retirement Contributions

The Cost of Operating a School District

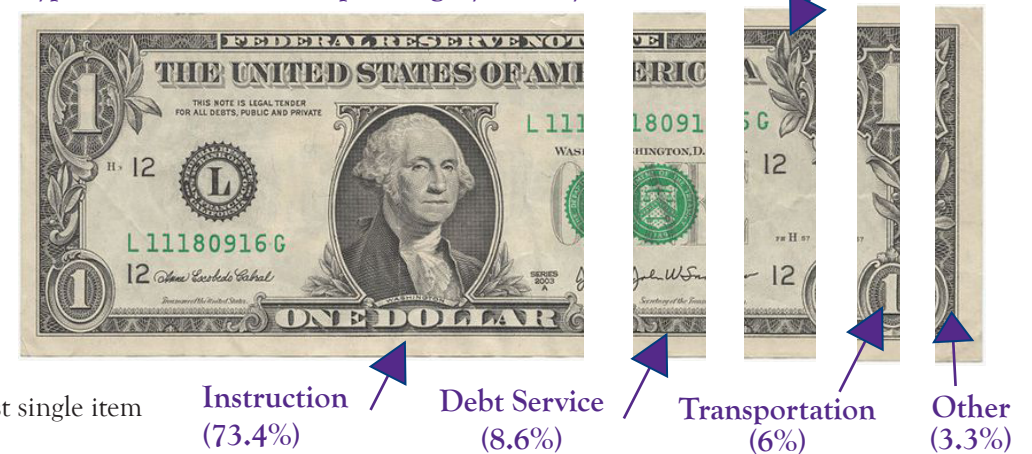
How does a district spend its money?

A school district uses its revenue to purchase a variety of goods and services that produce the educational programs for their students. Spending will vary among districts because of community preferences and the student needs within each district.

School budgets typically include the following major cost centers:

- Instruction: all expenditures related to instruction of students, including regular education, special education, vocational education, adult education and educational support services such as guidance, attendance, psychology services, speech and audiology services, pupil health services (school nurse), school libraries and central office support. Salaries typically represent the largest single item of expenditure in a school district.
- Operations and Maintenance: costs related to buildings such as utilities, purchase and repair of equipment, cleaning services, furniture and technology
- Transportation
- Debt Service Payments: payment of principal and interest on any borrowed funds for construction projects & programs (the mortgage)

Typical Distribution of Spending by Pennsylvania Schools



Additionally, the Pennsylvania School Code prohibits reduction in the number of teachers for purely financial reasons.

What are the major budget pressures facing school districts?

Each year, school districts face challenges in developing their budgets. Among them is predicting the state aid they will receive and factoring in variables like fuel and insurance costs. In the upcoming budget, districts must also factor in mandated increases in contributions to the public school retirement fund (PSERS), and a low Act 1 index, which, in general, will limit a district's largest source of revenue, real estate taxes. Although school boards and the community have a say in decisions about programs, teacher contracts and building projects, each budget contains certain fixed costs — school employee retirement contributions, wage increases and health care expenses.

How can I participate in the budget process?

Every parent, educator, businessperson and resident has the right to examine most school district financial records which are typically posted on a district's website. You may also provide input by calling the district office or by attending one of the district's board meetings or scheduled budget meetings.

Source: Pennsylvania Department of Education and Pennsylvania School Boards Association

Montgomery County Schools 2011-12 Expenditure Budget Summary (Source: PDE)	
Instruction	73.4%
Operations & Maintenance	8.7%
Transportation	6%
Debt Service	8.6%
Other	3.3%

How does collective bargaining affect spending decisions?

Teacher salaries are subject to collective bargaining at the school district level. The initial requirement for collective bargaining was the passage of Act 195 of 1970, and modified by

Act 88 of 1992. This legislation and related court rulings have produced salary schedules for professional staff based on educational level and number of years of service. Also included in collective bargaining requirements are employee benefits.

In many cases, when a district experiences an increase in student enrollment, it requires increasing the number of teachers or classroom aides. The challenging aspect is that as the number of students declines, the number of teachers employed by the district is subject to arbitration and documentation to show that enrollment has declined significantly.