

COMMUNITY BUDGET TASK FORCE
QUESTIONS RECEIVED
Updated March 18, 2011

1. #5 of the Frequently asked Questions about how will the new teacher's contract impact on the budget gap. Although I do agree with the statement given, I am a little confused at the implication that increases are directly related to the quality of education received.

RESPONSE: Teachers are paid based on a salary schedule agreed to in the negotiation process. Teachers proceed through the salary schedule until they reach the top step in 14 years. Their compensation is also impacted by educational attainment. For example: A teacher with a master's degree will be paid more than a teacher with a bachelor's degree with the same years of service.

Step movement for the teachers has been incorporated in the contract. However, no increase beyond that step movement is reflected.

In the short-term, limitations on pay and benefits could result in reduced employee moral and productivity. In the long-term, if we are not competitive with surrounding districts, it could result in challenges in recruiting the best and brightest to teach in Pottsgrove.

2. Under Major Expenditures Debt Service is listed as 10.5% of the budget. That is a very high number. Please explain what this entails.

RESPONSE: Debt service is the interest and principal payments we must make each year on the bonds we issued for the construction and renovation of our school buildings. We currently have 4 bond issues outstanding calling for annual payments of approximately \$6,077,000 through June 30, 2015. At that point, required payments will begin to drop and completely disappear by June 30, 2023. At June 30, 2011, Pottsgrove will have outstanding bonds of \$42,535,000. This is very reasonable in comparison to other Districts.

3. Under Expenditures by Object Salaries are about 27 million, and Benefits are about 10 million. That's like getting a salary, and then an additional 37% on top for your benefits. What constitutes these benefits?

RESPONSE: Budgeted benefits for the 2011-2012 school-year total \$10,473,438 and are comprised of the following:

211 - Medical	3,891,607
212 - Dental	321,756
213 - Life	50,900
214 - Disability	7,000
215 - Vision	31,966
216 - Rx	1,478,855
220 - Soc. Sec.	2,004,489
230 - Retirement	2,275,865
240 - Tuition Reimb.	144,000
250 - Unemployment	80,000
260 - Workers Comp	160,000
290 - Other	27,000

- 3a. Is the 37% figure correct as far as the benefits package? I am told that employees do contribute towards this. Is it a percentage or a fixed amount? Naturally it would be much more difficult for a teacher just starting out, or a custodian to pay compared to a tenured teacher with a Master's Degree who automatically gets more pay. What is the current amount of employee contribution?

RESPONSE: The amounts presented above represent the District's contribution to benefits on behalf of its employees. Employees do contribute to certain benefits as set forth below.

211 - Medical - Self Funded - 11% Employee contribution on developed premiums
212 - Dental - Self Funded - 100% District Paid - Actual costs
213 - Life - 100% District Paid - based on premiums
214 - Disability - 20% Employee contribution - Administrators only
215 - Vision - 100% District Paid - based on premiums
216 - Rx - Self Funded - 100% District Paid- Actual costs
220 - Soc. Sec. - District Pays 7.65% of salary, Employee pays same
230 - Retirement - District Pays 8.65% of salary, Employee pays 7.5%
240 - Tuition Reimb. - 100% District Paid - Actual costs to limit
250 - Unemployment - Self Funded - 100% District Paid - Actual costs
260 - Workers Comp - Self Funded - 100% District Paid - Actual costs
290 - Other - 100 % District Paid - Actual costs

4. Has the District considered offering its teachers an incentive to retire thereby saving the District significant salaries and benefits?

RESPONSE: *The administration and board are looking at every option, and we have considered this option as well. The savings in the first year are good, and then they tend to drop off after that. It is still something that the board will discuss, but probably not for this spring. There needs to be time for employees to have a PSER's consult and then time for employees to indicate they intend to retire in order for it to be factored into the budget for next year. We are probably past that point for the 2011-12 budget.*

5. What percent of property taxpayers also pay earned income tax?

RESPONSE: *This was a challenging statistic to define. However, we were able to get a list of addresses that filed earned income tax returns and compare it to the list of homesteads qualifying for tax relief under Act I. There may be multiple wage earners residing in a qualifying homestead. We only counted one wage earner per homestead. Based on this computation, approximately 70% of property taxpayers are also subject to earned income tax.*

6. How do Pottsgrove student performance compare with districts throughout the state?

RESPONSE: *This is a difficult question to answer because there are so many ways performance is measured. We prepared a report http://www.pgsd.org/Portals/0/_PGSD_Resources/pgsdperfreport.pdf Using several commonly used measures comparing Pottsgrove performance with average state performance. The report also includes some information on what is being measured.*

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