



EPLC Policy Forum Comments on the 2013-14 State Budget Proposal

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February 27, 2013
EPLC Policy Forum
(With Slides Prepared by Jay Himes)



BASIC EDUCATION FUNDING (BEF)

- The Quick
 - \$90 Million Increase
 - 1.7%
- This is the single largest PDE line item and the largest state subsidy to school districts. It has trailed significantly behind inflation and 2/3rds of the 500 school districts have a 5% or less total increase in the last five years 2007-08 to current year.



Special Education Funding (SEF)

- The Quick
- Flat funded again.
- Fifth year in a row.
- The Dirty
- Special education is the most mandate driven program for schools' escalating costs.
- Special Ed instructional costs have grown at 8.6% per year from 2001-02 to 2010-11.
- All districts will actually lose .5% of current year SEF to provide additional contingency funding.



Accountability Block Grants

- The Quick
- Flat funded again.
- The Dirty
- 64% reduction from the recent appropriations
- **\$845,997 Less Available**



Basic Education Funding

CPI Inflation Calculator

\$

in

Has the same buying power as:

in

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- If the 2008-09 BEF kept pace with inflation the 2012-13 line item would be \$5,573,744,630. This year's BEF is \$5,393,502,431 or a shortfall of about \$180 million.



William Penn Basic Education Funding

• Subsidy 2008-09	\$18,697,872
• Subsidy 2012-13	\$19,624,098
• CPI 2012-13	\$19,950,630
• Shortfall	\$ 326,531



Special Education Funding (SEF)

CPI Inflation Calculator

\$

in

Has the same buying power as:

in

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- If the SEF appropriation in 2008-09 of \$947 million had kept pace with inflation the line item would be more than \$1 billion. The 2012-13 line item is \$63 million below inflation.



William Penn Special Education Funding

• Subsidy 2008-09	\$3,927,248
• Subsidy 2012-13	\$3,952,896
• CPI 2012-13	\$4,190,373
• Shortfall	\$ 237,477



State Wide-Local Revenues

	2006-07	2010-11	Change
Realty Transfer Tax	\$252,959,384	\$141,063,808	-44.23%
All Other Taxes	\$316,591,682	\$324,669,874	2.55%
Interest Earnings	\$352,819,959	\$37,414,533	-89.40%
Delinquent Taxes	\$543,801,389	\$605,505,719	11.35%
Earned Income Tax	\$1,027,397,069	\$1,125,028,357	9.50%
Real Estate Tax	\$10,014,529,839	\$11,158,272,835	11.42%
Total Local Revenue	\$13,126,776,975	\$14,154,890,449	7.83%

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William Penn-Local Revenues

	2006-07	2010-11	Change
Realty Transfer Tax	\$656,728	\$369,717	-43.70%
All Other Taxes	\$59,344	\$55,862	-5.87%
Interest Earnings	\$690,034	\$12,562	-98.18%
Delinquent Taxes	\$4,444,545	\$4,732,792	6.49%
Earned Income Tax	\$0	\$0	0%
Real Estate Tax	\$35,279,994	\$41,790,111	18.45%
Total Local Revenue	\$41,130,645	\$46,961,044	14.18%

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PENSION REFORM ESTIMATED SAVINGS USING PSERS 12/2012 SALARY PROJECTIONS

Year ending June	Estimated Payroll (thousands)	Current PSERS Rates	Current Total Employer Contributions (thousands)	Proposed PSERS Rates	Proposed Total Employer Contributions (thousands)	Savings (thousands)
2013	14,297,000	12.36	1,767,109	12.36	1,767,109	0
2014	13,720,000	16.93	2,322,796	14.68	2,014,096	308,700
2015	14,081,432	21.31	3,000,753	17.43	2,454,394	546,359
2016	14,451,877	25.80	3,728,584	20.68	2,988,648	739,936
2017	14,856,092	28.30	4,204,274	24.43	3,629,343	574,931



Reduction in Force

Year	Total School Employees in PA	Change from Previous Yr.	% Change
2008	274,776	2,576	0.95%
2009	278,574	3,798	1.38%
2010	279,856	1,282	0.46%
2011	269,318	(10,538)	-3.77%

Source: U.S. Department of Labor, Bureau of Labor Statistics
 Quarterly Census of Employment and Wages
 Series Id: ENU42000103611110
 State: Pennsylvania
 Area: Pennsylvania -- Statewide
 Industry: NAICS 611110 Elementary and Secondary Schools

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William Penn SY2008-09 to SY2012-13

• Basic Education Funding (CPI)	\$ -326,531
• Special Education Funding (CPI)	\$ -237,477
• Accountability Block Grant	\$ -845,997
• Educational Assistance (Tutoring)	\$ -662,579
• Charter School Reimbursement	
30% * \$4,300,000	<u>\$ -1,290,000</u>
Total	\$ -3,362,584



What Happens Now?

- More program and personnel cuts.
- More districts utilize fund balance if they still have it.
- More districts head towards financial distress.
- WPSD has eliminated 57 professional, 12.5 support and 5 administrative positions since 2008-09.
- WPSD has eliminated after-school tutoring and busing for after-school activities.
- WPSD has contracted Maintenance, Custodial and Grounds