

Pike-Delta-York School Finance Update Meeting January 31, 2011

1. Welcome
2. Introductions
3. Purpose of Monthly Meetings
 - a. Communicate School Finance Issues
 - b. Informal vs. Formal Presentations
4. Notecards
5. District Revenues
6. Budget Cuts
 - a. Past
 - b. Present
 - c. Future
7. Next Meeting – Monday, February 28th at 6:30 p.m.

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Did you know...

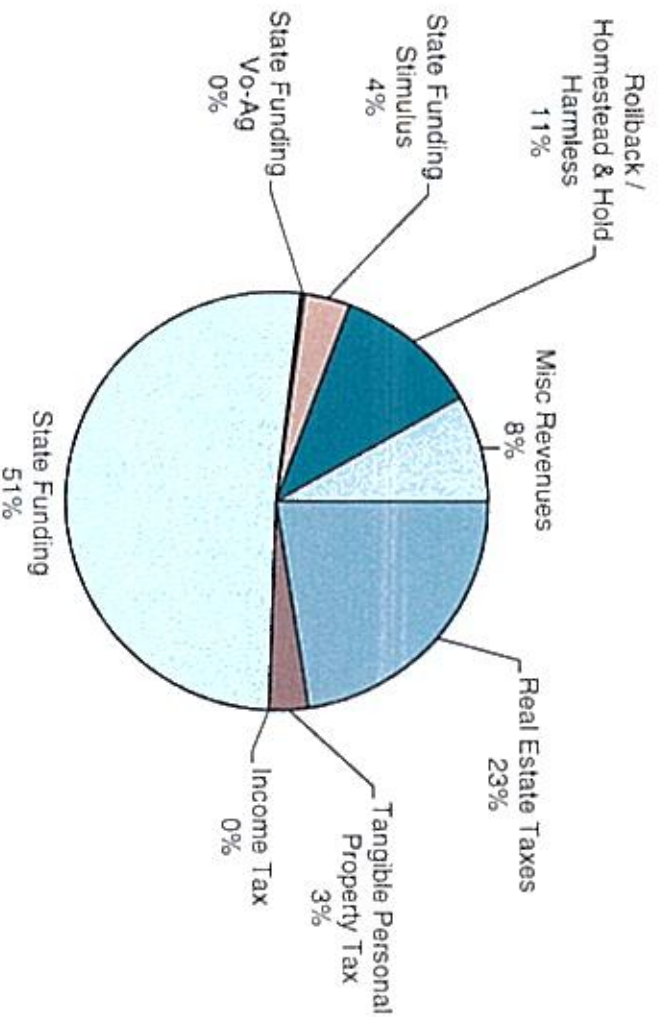
There are NO General Fund dollars going into the new PK-4 Elementary Building, the High School Renovation, or the Middle School Renovation. The Bond Levy that was approved by voters of the District in August 2008 will cover PDY's entire share of the construction costs.

When the bids were opened for all of the projects, the costs were way below what the architects had estimated.

All of the construction projects going on within the District are being paid with bond money approved by voters of the PDY District. The construction funds can't be used to pay for employees' salaries or for District operating costs.

Property Owners Pay 23% of Total Budget

PDY FY10 Revenue Sources



Since 2007-2008 school year:

Total Revenues DECREASED by \$2,670,000 or 10.5%

State Funding DROPPED by \$676,000

Tangible Personal Property Tax dropped by \$2,000,000

\$632,500 Emergency Levy (3.7 mills) not renewed by Voters

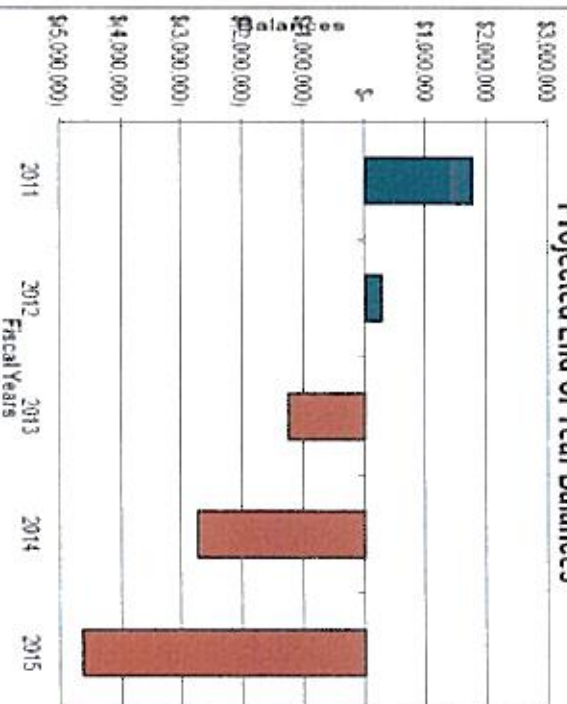
Interest Income DROPPED by \$500,000

District Receives over 50% of the General Fund Budget from State of Ohio.



The District's Cash Balance as of June 30th for each fiscal year is based on the Five Year Forecast from Oct 13, 2010.

Projected End of Year Balances



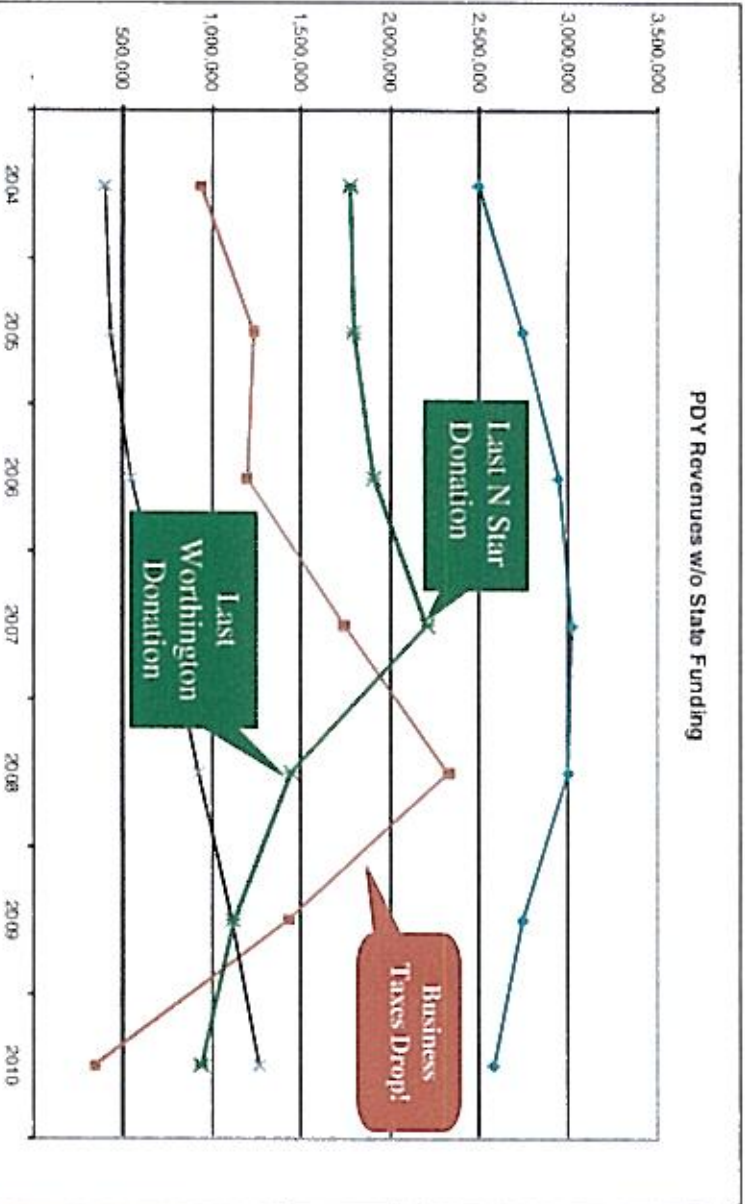
Where did the money go?

It's simple The District has lost over \$2 million in revenues due to changes in the tax laws. The State Legislature approved a four year phase out of taxes on businesses' equipment, furniture, and inventory starting in 2006. That four year phase out of the tangible personal property tax (TPP) is now done. The PDY District has lost \$2 million of revenues.

It's simple The voters of the PDY District did not renew the \$632,500 Emergency Levy in November 2008. This was a loss of \$632,500 of annual revenues for the District. The Levy was equal to 3.7 mills of taxes on all real estate property in the District.



\$2 Million Lost Due to Changes in Business Taxes in State Tax Law!



Hold Harmless Payments not enough to make up for lost revenue.

North Star and Worthington successfully paid their annual donations to PDY Schools as agreed. These payments ended during the Four Year Phase Out of the Tangible Personal Property Taxes. Annual payments from North Star and Worthington's donations were over \$1 million that the District is no longer receiving.

If the Tangible Personal Property Tax payments had continued under the old State Tax Law, the District would have adequate income to support the operations of the District. Without the Tangible Personal Property Taxes, the District's operations have been scaled back tremendously and need additional revenue to keep our current level of services.

*- Joyce Kinsman, CFO/Treasurer,
Pike-Delta-York Local Schools*

What has been cut from the School Budget?

The Pike-Delta-York Local School has **reduced expenditures by more than \$1.6 million** over the past three years. We continue to look for ways to cut costs through careful spending and by not replacing teachers when they retire or leave the school.

2008-2009 School Year = \$385,000 cut from budget

- Closed York Elementary Building
- Saved on Transportation Costs to/from York
- 1.0 Principal at York Elementary
- 1.0 Custodian retired
- 1.0 Secretary
- 2.0 Bus Drivers by combining routes
- 2.0 Teachers (1 at Elementary, 1 at High School)

2009-2010 School Year = \$500,000 cut from budget

- 0.5 Art Teacher, 0.25 Gym Teacher, 0.5 French Teacher
- 0.32 Industrial Technology Teacher
- 1.0 Elementary Teacher, 2.75 Special Ed Teachers
- 2.0 Special Ed Aides, 0.5 High School Teacher
- MS Athletic Director position
- In-house Opportunity School and Alternative School
- Started "pay to participate" fee for athletic programs
- No heat at York Elementary Building

2010-2011 School Year = \$750,000 cut from budget

- 0.5 Art Teacher, 0.5 Gym Teacher, 0.5 French Teacher
- 0.68 Industrial Technology Teacher, 0.5 Reading Teacher,
- 1.0 Home Ec Teacher, 1.5 High School Teachers,
- 1.0 Middle School, 2.0 Elementary Teachers,
- 1.0 Elementary Guidance Counselor

How is the District going to balance the budget?



In May 2010, the PDY Board of Education approved an Operational Plan that included planned cuts for the 2011-2012 school year and the 2012-2013 school year.

2011-2012 School Year Cuts

- No hiring of new staff if someone retires or leaves
- Less custodial staff, rotate cleaning of rooms/bldgs.
- Less secretarial services
- Less buildings / grounds staff
- Eliminate summer work crew
- Summer projects reduced

2012-2013 School Year Cuts

- Cut of 15 teachers (larger classes, fewer options)
- Cut 1.5 principals
- Cut all sports programs
- Cut all student activities (for example: band, Destination Imagination, musical programs)
- Cut field trips for all grades
- Cut bussing for high school students
- Cut bussing if you live within 2 miles of school
- Close all buildings after school for students and community groups
- Additional reductions in cleaning of classrooms and facilities

Pike-Delta-York Local Schools
 Based on Five Year Forecast, Oct 13, 2010

School Finance Update Meeting
 January 31, 2011

w/ Ed Jobs Funds Included

	Fiscal Year 2007-2008	Fiscal Year 2008-2009	Fiscal Year 2009-2010	Projected Fiscal Year 2010-2011	Projected Fiscal Year 2011-2012	Projected Fiscal Year 2012-2013
Revenue:						
1.010 Real Estate Taxes	2,999,774	2,741,786	2,584,012	2,606,799	2,605,292	3,039,902
1.020 Tangible Personal Property Tax	2,328,675	1,431,611	344,618	309,239	304,077	304,077
1.030 Income Tax						
1.035 State Funding	6,343,511	6,348,398	5,861,686	5,666,794	5,713,452	5,756,304
1.040 State Funding - Vo-Ag	62,137	54,012	31,551	24,706	24,892	25,078
1.045 State Funding - Stimulus			401,193	433,015		
1.050 State Funding - Ed Jobs					323,686	
1.050 Rollback/Homestead & Hold Harmless Money	922,557	1,110,148	1,263,755	1,283,787	1,236,871	1,236,557
1.060 Misc Revenues (includes interest)	1,443,203	1,120,625	943,375	935,410	951,363	965,476
1.070 Total Revenues	14,099,857	12,806,582	11,430,190	11,259,750	11,159,633	11,317,394
Other Financing Sources:						
2.040 Operating Transfers-In	-	-	11,000	-	-	-
2.060 All Other Financing Sources	40,852	2,738	19,206	1,700	-	-
2.070 Total Other Financing Sources	40,852	2,738	30,206	1,700	-	-
2.080 Total Rev & Other Sources	14,140,709	12,809,320	11,460,396	11,261,450	11,159,633	11,317,394
	growth %	-9.4%	-10.5%	-1.7%	-0.9%	1.4%
Expenditures:						
3.010 Salaries for all Employees	6,906,072	6,855,252	6,963,184	6,650,712	6,587,241	6,732,372
3.020 Health Insurance & Retirement	2,666,374	2,609,973	2,433,221	2,464,799	2,396,837	2,486,923
3.030 Services & Utilities	2,513,399	2,656,466	2,514,312	2,760,068	2,830,835	2,816,682
3.040 Supplies and Materials	600,003	463,883	501,604	456,602	449,734	458,729
3.050 Equipment	510,347	197,514	92,479	139,830	97,126	97,126
3.060 Intergovernmental						
4.300 Auditor & Treasurer Fees & Misc.	246,327	212,329	172,703	176,159	179,682	183,276
4.500 Total Expenditures	13,442,522	12,995,417	12,677,503	12,648,170	12,541,455	12,775,108
	growth %	-3.3%	-2.4%	-0.2%	-0.8%	1.9%
Other Financing Uses						
5.010 Operating Transfers-Out	13,250	20,000	11,200	-	-	-
5.040 Total Other Financing Uses	13,250	20,000	11,200	-	-	-
5.050 Total Expenditures & Other Uses	13,455,772	13,015,417	12,688,703	12,648,170	12,541,455	12,775,108
6.010 Operating Gain or Loss	694,937	(206,097)	(1,228,307)	(1,386,720)	(1,381,822)	(1,457,714)
7.010 Cash Balance July 1	4,002,898	4,667,835	4,481,738	3,253,431	1,866,711	484,889
7.020 Cash Balance June 30	4,687,835	4,481,738	3,253,431	1,866,711	484,889	(972,825)
Days Operating Carryover	127.16	125.68	93.59	53.87	14.11	(27.79)

* 7% of state funding is SFSF
 * Ed Jobs Fund is one time money

* severances paid in FY11, but not in FY12
 * less 10 policies in FY11, no unemployment in FY12