



For Fifth Consecutive Year, Souderton Area School District Proposes Budget Well Below Act 1 Index

At its scheduled Finance Committee and legislative meetings on June 7 and June 22, respectively, the Souderton Area School Board of School Directors discussed and approved the 2017-2018 Final General Fund Budget. With this budget, the School Board continues to demonstrate its commitment to delivering fiscally responsible budgets which grow the District's excellence in academics, athletics and the arts.

In the past five years, the School Board has:

- Delivered budgets with tax increases well below the state's Act 1 index (the maximum allowed by state law);
- Obtained almost \$1 million of private and federal grant funding to support innovative School District programs at all grade levels;
- Upgraded its bond rating outlook with Wall Street rating agencies due to strong fiscal management policies;
- Provided for capital project funding with a small borrowing that avoided any additional real estate tax increase or extension of the debt service schedule; and
- Most importantly, crafted budgets that directly align with the School District's comprehensive plan goals, focus on the needs of the whole child and implement visionary leadership in technology integration.

The Final Budget includes a recommended real estate tax increase of 0.5% with expenditures totaling approximately \$124.4 million. That increase is two percentage points below the Act 1 index of 2.5%.

A major topic of discussion at its Finance Committee meeting was the impact of mandated charter school tuition. Despite significant work by the School Board to control expenditures, its efforts have not translated into a reduction in the cost of charter school tuition (including cyber schools). In fact, charter school tuition for 2017-18 is expected to approach \$3.5 million, compared to \$2.2 million paid in 2010-11. It is no coincidence that this increase in tuition costs mirrors the rising cost of PSERS contributions – another mandated expenditure – a component of a flawed funding formula. School Board President Scott Jelinski noted at the meeting that if the charter school tuition mandate were to be eliminated, the Board would be able to recommend a tax *decrease* of 2-3%.

Superintendent of Schools Frank Gallagher stated, "I believe that this budget continues to elevate our strong District program while maintaining our fiscally conservative approach to the budgeting process. This budget concentrates resources on our efforts to deliver excellent, learner-

centered instruction and rich technology integration to prepare students for the dynamic society in which we live. This budget also completes the implementation of 1-to-1 computing at our three secondary schools and adds a significant number of new devices for students and instructors at the elementary level, thanks to assistance from the Ready to Learn grant from the state and the ongoing support of the Indian Valley Education Foundation. But most importantly, it is a budget that focuses on the needs of the ‘whole child.’”

Finance Committee Chairperson Donna Scheuren stated, “The five-year chart comparing Souderton to the ‘allowable’ state-wide increase speaks volumes for how we do business in this District. Not only should that chart be on the front page of every newspaper, but it should be sent to every school board, every superintendent and every business manager throughout the state for them to inquire about our budgeting methods. This year alone, we are releasing multi-million-dollar capital projects for necessary investment in our schools. We are securing a steady and stable learning environment by signing a five-year teachers’ contract. We are selling off school real estate to increase the tax base. We are expanding our sports and Career Pathways Program. We are intensifying our technology for greater rigor in education and more efficient communications within our schools. We are dealing with sky-rocketing special education costs, unfunded state mandates, an unfair funding formula regarding our local charter school, out-of-control pension costs and yet, our students are excelling and Souderton is ranked as one of the best schools in the state. We are running an almost \$125 million corporation and we are doing it all with only a .5% tax increase, even though the state tells us to go as high as 2.5%. The residents, parents, senior citizens and taxpayers of Souderton need to know the school board has their backs and quite frankly, we do. The vast amount of intelligence, private business experience, construction skill set and contract law know-how on this board, combined with an aggressive administration, makes for a unified team that budgets line-by-line and continues to think outside the box every single day.”

