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### **Parkland Approves 2011-12 General Fund Budget**

(Allentown) – The Parkland Board of School Directors approved the 2011-12 General Fund Budget in the amount of \$138,223,432 during the regularly scheduled Board meeting on Tuesday, June 21, 2011. For complete details on the 2011-12 General Fund Budget, please click here: <http://www.parklandsd.org/wp-content/uploads/2011/06/budget.pdf>.

Since the February preliminary budget was approved, the proposed state budget presented by our new Governor cut an additional \$1 million from Parkland's funding. The two areas that were unexpected are the elimination of reimbursement for charter school students and the dramatic decrease in state contributions to social security costs. Additionally, declining revenues, particularly commercial/industrial real estate assessment appeals (that have amounted to a projected \$3M loss over the past 2 years with another \$1M loss projected next year) is the main driver of recent revenue reductions along with low interest earnings on District investments and this year's expiration of federal stimulus funds.

The 2011-12 General Fund Budget represents an increase of 1.46 mills (down from the 1.64 mills that was proposed when February's preliminary budget was approved) from the current rate of 38.27 mills to 39.73 mills. At the rate of 39.73 mills, the average residential property owner would pay approximately \$9.33 additional taxes per month, or \$112 more for the year. This is based on the average Parkland residential property assessment of \$76,814. A projected property tax reduction from gaming monies of approximately \$105 per household will offset much of the projected tax increase. While this represents a 3.8% increase in mills, budget to budget expenditures are increasing by only 1.65% noting that the following expenditure reductions have helped to mitigate the needed tax increase:

- Approximately \$250,000 savings in administrative salary increases for administrators who will have their wages frozen in 2011-12.
- The elimination of 60 full and part-time positions that will take place in 2011-12 which equates to gross savings of approximately \$2.6 million.
- A \$400,000 petroleum savings was amassed over the past several years when Parkland broke away from consortium purchasing and partnered

with Whitehall-Coplay School District to purchase petroleum on the NYMEX.

- An estimated \$914,400 reduction in electric utility costs will be realized in 2010 and 2011 due to purchasing electricity in a similar manner as petroleum noted above.
- A 12% reduction in supply and text book orders this school year represents about \$360,000 in savings in the science curriculum. Similar savings will be seen as the District evaluates the Language Arts curriculum for next school year.
- An \$819,652 reduction of the general fund budget will lessen the tax impact as construction bond funds will be used to purchase buses and technology infrastructure.

Superintendent Dr. Louise E. Donohue noted, “We know and understand that our community is struggling in the wake of a financial recession. Our Board is pleased to be bringing forth a lower tax increase than was anticipated in February. However, we are proud that our leadership team has worked through a shared effort to balance this difficult budget. In the process our administrators will forego a pay increase for next year. It is our expectation that as we move into a new teacher’s contract in 2012 that our teaching staff will make sacrifices as well to help carry us through these difficult economic times. Though this has been the most difficult budget this Board and I have ever been a part of, we are proud that we are not cutting any programs that directly benefit children. Some services will be delivered in a different way, but the negative impact on education has been avoided. We have maintained our commitment to provide a wide variety of courses and co-curricular offerings that tap into the passions of our students and inspire them to achieve excellence.”

Jayne Bartlett, Board President, added, “Parkland remains committed to providing a high quality education for all of our students. We believe that the excellent education that Parkland delivers benefits all of our tax payers in the form of higher property values and through the direct contributions to society that our graduates bring forth.”

Local revenue in the form of property taxes and the 1% earned income tax that is shared 50/50 with the township continues to support about 74.8% of the District’s General Fund Budget. State funding has not and does not provide for enrollment growth despite Parkland’s rapid increase in enrollment over the last 15-20 years and lobbying efforts to get the funding formula to change by many advocates across the state. An additional 3.7% of funding was projected from state-paid benefits and 1.5% from Federal sources.

As of the current school year, Parkland’s millage remains the lowest in Lehigh County when compared with 8 neighboring school districts. In 2010, Parkland’s tax increase in mills was the 2<sup>nd</sup> lowest out of the 9 Lehigh County school districts.

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