Pike-Delta-York Local Schools – Plans for Continued Success

Looking Back - Academic Excellence has become the Standard

The Pike-Delta-York Local School District has literally maintained excellence over the past several years. Despite continued financial challenges for several years and continually grim financial forecasts, PDY achieved it's first ever "Excellent with Distinction" rating in 2011-12 from the Ohio Department of Education (ODE), following Excellent ratings by the state in four of the previous five years. Gradual and continual increases from Continuous Improvement ratings from 1998-99 though 2001-02, to Effective in 2002-03, preceded the most recent Excellent with Distinction state rating. This is especially commendable, as several comprehensive legal mandates have been placed upon teachers and principals in the past few years, and multiple reforms are currently being implemented, most requiring increased training and professional growth for educators and administrators. Some of the current reforms include a new curriculum (Common Core), the 3rd Grade Reading Guarantee, a new and dramatically different evaluation system based partially on student test scores, and new School and District Report Cards. For more information about these mandates and reforms, and general information from the Ohio Department of Education, go to www.ode.org.

Local Finance and Efforts to be Fiscally Responsible

Recent Board of Education action has reduced expenses annually, and is again phasing in program changes and staffing adjustments that are projected to reduce expenditures for next year by approximately $400,000. Superintendent Jay LeFevre and Treasurer Eric Soltis continue being as frugal as possible, scrutinizing all budgets. Recently the Ohio Department of Education conducted Staffing and Financial Analyses of the school district. The ODE Staffing verified that PDY has been effectively reducing expenditures. The report showed that since FY 2009, expenditures per pupil have been less than the state average every year. Expenditures per pupil were less in FY12 that FY09 (by $637), despite inflation and increasing costs. PDY expenditures per pupil have increased by only 2.1% while comparable districts have increased by 7.4% and the state has increased by 3.2%. Based on the General Fund, PDY's efforts are even more notable, as costs per student have been reduced by 3.4% since 2008, while similar districts have increased by 4.1%. Thus it is evident that PDY is narrowing the gap and doing more with less than comparable districts.

Special Education costs are much higher than regular education costs and PDY has higher Special Education numbers than any county district and most districts in northwest Ohio. Despite that fact, the report showed that it has 1.77 less Regular Education Teachers than those comparable districts, as indicated in the ODE report. Additionally, the report found that PDY has 2 less "ESPs" (counselors, library/media specialists, nurse, art, music, physical education, etc.) than comparable districts. Further, PDY has less staff than comparable districts in most support staff areas, including, bus drivers (-3.61), food service workers (-3.13), custodians (-3.1), paraprofessionals (-2.32), and aides (-1.69).

The Financial Analysis conducted by the ODE shows an average annual reduction in the deficit of $225,437 since Fiscal-Year 2011 (FY11), when efforts to reduce expenditures became aggressive. Nevertheless, the current Five Year Forecast projects a negative end of year balance of $180,639 for Fiscal-Year 14 (2013-14 school year). Negotiations with the teacher's union, recently completed, will also help to reduce the projected deficit. Another factor that will influence and could reduce this amount include the pending state budget. The ODE report also showed that the percentage of PDY's operational revenue that goes towards salaries and benefits has been reduced every year since FY11 is, dropping consistently from 82.2% in FY10 to 79.7% in FY11), 77.1% in FY 12, 73.1% in FY13%, and projected to be 72.1%in FY14. Recent Board action to reduce salaries through an innovative approach should lower that percentage even more. For a detailed review of these reports, contact Mr. Soltis or Mr. LeFevre at the Board of Education Office.

State Education Budget and Funding

The state budget bill, which includes the education budget, is due by July 1. It has continued to change since the Governor's initial proposal. The House made many changes, as did the Senate, and it is now "in committee" where members of both the House and Senate are working to resolve differences. Regardless of the outcome, the funding level is likely to be inadequate. With the increase in the state requirements and annual inflation, the FY 2014 and FY 2015 biennium appropriations for public K-12 education should obviously be greater than previous years. However, all versions of HB 59 have less state and federal funds for public K-12 education than the FY 2010 and FY 2011 biennial level. The Senate version of Ohio HB 59 has $141 million less disadvantaged pupil funding than the House version. It also has nearly $100 million less in computed formula aid (core opportunity aid, targeted assistance, disadvantaged pupil funding, special education, limited English proficient, early childhood/K-3 literary, gifted, transportation and career/tech) than the House version. Additionally, it is anticipated that the increased deduction for charter school students and vouchers will outstrip any state funding increase that any school district might receive. Nevertheless, without a substantial increase in state aid over last year, PDY Schools will be in desperate shape.

The bottom line is school funding, which has been found to be unconstitutional in Ohio four times, is inadequate and unpredictable, yet districts like PDY have to move forward, establish budgets, and ensure expenditures do not exceed revenues. The unpredictable long-term components of state aid contribute to the budgeting and financial challenges of districts like PDY. Despite the last several years of reductions, a local levy is needed to provide revenue that will allow PDY to be financially stable, let alone seek to be a district that is desirable to this community, one that not only retains, but attracts students and families.

Looking ahead – Planning for Long-Term Success

Superintendent Jay LeFevre and Treasurer Eric Soltis have been analyzing finances for the past year in an effort to address the deficit and develop a plan for long-term solvency and continued district success. With the overriding goal of being “the district of choice” in northwest Ohio, there are six key areas of focus identified on the new Ohio Department of Education’s “grade card.” This “dashboard” is the basis of the new Schools and District Grade card: Gap Closing, Achievement, Student Growth, College Readiness, Graduation rates, and Literacy Progress. LeFevre stated a goal to improve in each area as compared to county/neighboring districts in the first year, be in the top 50% in year two, and reach the top 30% in year three. His ultimate goal is to maintain excellence and continue improving relative to neighbors and comparable districts.

Levy Implications

Through careful and deliberate review, planning, and decision-making, the effects of the financial crisis have been delayed the past few years. However, recent information from the state warns that the district will be in fiscal oversight if finances do not improve by the release of the October Five Year Forecast. For several months the Board of Education has been discussing ideas and options regarding levy options, trying to define the financial need, what type of levy to put forth, and how to gain community support. While seeking community support with a levy is not preferred, clearly revenue is critically needed. For several years, PDY has been the lowest or second lowest taxed school district in the county, and based on information recently released by the Ohio Department of Education, PDY has the lowest “Local Tax Effort” (see table) of the schools in and around Fulton County. Recent financial reports and analysis, specifically the most recent Five Year Forecast, projects a need of $1,500,000 to keep the district operating at it’s current levels through the 2016-17 school year (Fiscal Year 17). Depending on the outcome of the state education budget to be finalized by July 1, this amount could be closer to $1,000,000, a positive sign for the school district. At this time, plans are to place a levy on the November ballot, with specifics to be ironed out in the next couple weeks by the Board of Education.