

Chartiers-Houston School District Testimony in Fair Funding Commission Report

October 12, 2023

Community Demographics and Data

The Chartiers-Houston School District is located in Washington County, Pennsylvania and is comprised of two communities. These communities are the Houston Borough and Chartiers-Township. The School District was formed in 1955. The District covers 25.02 square miles and consists of two buildings: A Junior Senior High School and an Elementary School. According to Census data, the total population of both communities is over 10,370 people. The median household income for the District is \$79,059 though the median household income is lower in Houston Borough than it is in Chartiers Township. The median home value for the District is \$175,800. The Chartiers Township poverty rate is 5.65 while the poverty rate for Houston Borough is 17.2%.

In the Township, 88% of the population owns a single unit home with 90% of those being occupied. In the Borough, 67% of the population live in single unit homes and those have an 84% occupancy rate. The Median Age for the District is 44.65. The Ethnic make-up of the District is 92% White, with the next highest ethnic groups being African-American at 3% and Multi-Racial at 3%. English is the spoken language spoken by 93% of the population. As far as educational rate, 95% of the population has a high school education or higher while 26% of the population has attained a Bachelors degree or higher.

Despite these figures, 37.33 percent of the students attending school qualify for Free and Reduced meals. That is a total of 461 students at both schools. This increase could represent a changing population trend or a changing income trend in the economy.

Student Enrollment

As of September 30th, 2023, the student enrollment consists of 1,228 students K-12. This is broken down into 695 students at the elementary school and 533 students at the Junior/Senior high school. In July, the student enrollment was 1,199 students K-12 with 677 students at the Elementary school and 522 students at the Junior/Senior School. At the end of the previous school year, the enrollment was at 677 students at the Elementary School and 498 students at the Junior Senior High School. Overall, we had an increase of 53 students.

School Budget

From a financial perspective, the District is in good shape. The District has a 94% tax collection rate. Our current Millage rate is 13.471. One mill brings in \$850,000. The anticipated revenue for the current school year is \$23,682,607. From a funding source percentage, roughly 61% of the budget is from local taxes, 38% is from the state and 1 % is from federal sources. The overwhelming burden of funding the District is on local taxes. Our revenue is supplemented by \$8,586,200 in an unreserved fund balance available for appropriations. These two revenue sources provide us with a total of \$32,268,807 that we can use towards current know expenditures. The fund balance represents 4.63% of our budget. The anticipated expenditures for the current school year are \$25,612,178. Our average annual cost per a regular education student is \$14,202 per student and our average annual cost for a special needs student is \$26,174.

Deadlines

State law mandates that we pass a school budget by July 1st of each year, even though the state budget may not be passed by then. The budget is a best guess effort arrived at through the current and anticipated increases in expenditures. If there are significant changes to the budget due to student enrollment, facility needs, or other unforeseen circumstances, the District has to absorb that increase. Over the past several years, the District has seen increases in the following areas:

Personnel Costs- the biggest expenditure in any school district budget due to salaries, health insurance and PSERS. These increases, if the student population is stable, can be anticipated. For the Chartiers-Houston School District, over the last three years, the personnel costs have increased as follows:

School Year	Cost	Dollar Change
2020-2021	\$13,082,325	-
2021-2022	\$13,879,482	\$797, 157
2022-2023	\$15,330,088	\$1,450,616
2023-2024	\$15,793,062	\$462,974

The total dollar increase for the past three years in personnel costs is \$2,710,747. At a millage rate of \$850,000, that cost reflects a little over a 3.18 millage increase.

Health Insurance and PSERS

Overall, though the PSERS rate has decreased slightly from 35.26% to 34%, the District's contribution rate has increased due to increases in salaries along the salary scale. PSERS contributions make up roughly 10% of our personnel budget. Meanwhile, the cost of health insurance skyrocketed to a 14% increase which in dollar amounts is \$300,000. It is anticipated the health insurance will continue to increase by 10% or more over the next several years. Because the health contribution rate of the employees is agreed upon in collective bargaining agreements, this contribution rate is fixed and cannot be increased in the current contract period unilaterally to offset increased costs. In the current teacher contract, for example, the health contribution rate is 1% of their salary for the base premium contribution of the EPO. This is an increase of .5% from the past four years. In 2019-2020, the contribution was ½ of 1% of the salary. Any increase in health insurance contributions must be negotiated in a new collective bargaining agreement.

Salary Scale and Bump Step

The Chartiers-Houston has an 18-step salary scale. Though the first step with a Bachelors degree is the lowest in Washington County at the current salary of \$38,850, the top of the scale is \$96, 721. Between years 17 and 18, teachers hit a bump step. This bump step is \$43,332 for a teacher with a Bachelors degree up to \$43,285 for a teacher with a Doctorate. For the current year, 3 teachers hit the bump step which comprises \$129,996 of the total budget. Furthermore, 42 teachers (47% of the faculty) are on

Step 18 of the contract this year, and over the next 2 years, 10 more teachers will hit the top step and go through the jump step. In previous years, the bump step cost in 21-22 was \$160,856 for 4 teachers and in 22-23, the bump step cost was \$209,060 for 5 teachers.

Technology Costs

Over the last several years since the COVID 19 Pandemic enveloped the Nation, the District has invested significant cost in technology, moving toward a 1:1 student device ratio for all students in grades K-12. The District has provided 1,576 devices to students and staff. Though grant monies may have been used to purchase the equipment initially, District revenue will be used to absorb, maintain, and continue technology use for students. The Chartiers-Houston School District contracts with CCL Protech Industries to provide technology devices to staff and students. CCL also updates technology infrastructure to improve connectivity, security, and bandwidth as integrating technology into daily instruction and practice has become the standard operating procedure. These costs also come out of our local budget. The District has assumed an ongoing expense of \$30,000 a year to CCL to operate a student tech office, where students can come to get laptops fixed and has an ongoing cost of \$50,000 to purchase student devices. Faculty devices have also been replaced to keep up with current software programs. For this year, the cost to replace all faculty devices came to \$137,200. All of these were not expenses the District had ten years ago.

Expenditures versus BEF amounts

In addition to the expenses identified, the District has such expenses as daily maintenance, capital repairs, text book and resources purchases, student field trips, transportation and other sundry costs that must be paid in order to maintain the facilities, educate students and provide all students with a Free and Appropriate Public Education.

The BEF contribution from the state has not kept pace with the District expenditures. For the last two years, this discrepancy is as follows:

School Year	District Increase Cost	BEF Increase Subsidy	Difference in Cost Absorbed by District
(2021-2022)- (2022-2023)	\$1,485,717	\$246,201	\$1,239,516
(2022-2023)- (2023-2024)	\$1,671,000	\$69,508	\$1,601,492

Critical Issues Impacting School Districts Ability to Provide a rigorous and challenging education for all students

1. **Salary:** Below is a table with information about Faculty Salaries in Washington County. As teachers are the largest personnel group in any school district, and it is teachers who provide daily instruction, this chart delineates the salary information regarding competitive first steps, tops of scales and number of steps in the contract for teachers in the 15 Districts in Washington County.

School	Step 1	Top of Scale Bachelors	Top of Scale Doctorate	Number of Steps in Scale
Avella	\$43,250	\$76,165	\$79,115	20
Bentworth	\$40,250	\$88,253	\$89,253	18
Bethlehem Center	\$41,700	\$77,375	\$79,575	17
Brownsville	\$39,420	\$78,466	\$79,617	18
Burgettstown	\$44,225	\$80,885	\$86,021	21
California	\$40,324	\$79,403	\$80,003	18
Canon-Macmillan	\$45,354	\$95,481	\$97,550	18
Chaleroi	\$39,000	\$85,050	\$87,825	17
Chartiers-Houston	\$38,850	\$94,409	\$96,721	18
Fort Cherry	\$43,916	\$83,280	\$85,379	20
McGuffey	\$44,972	\$78,434	\$81,512	18
Peters Township	\$52,900	\$109,724	\$114,314	18 (17A, 17B)
Ringgold	\$42,000	\$81,508	\$83,508	18
Trinity	\$48,000	\$95,117	\$98,717	18
Washington	\$45,860	\$78,360	\$82,360	19

This scale is included to show the competitiveness of the job market. Looking at the first step, Chartiers-Houston has the lowest first step in the county. With only 5,000 to 6,000 new teachers entering the field annually, (as compared with 20,000 in years past, the job market is competitive. New teachers will look for the highest salary possible. This means that often teachers who are hired at one salary by a District can continue to interview at other Districts for a higher salary. This means that a teacher who accepts a job at a lower paying District can then accept a job at a higher paying District and leave the lower paying District without a teacher. At Chartiers-Houston, we were unable to fill positions by the start of school in August due to new teachers who had been hired earlier in the summer accepting a position at a higher paying school district.

The other consequence to this is that when there is a need to create a new position, a lower salary step makes it difficult to recruit those candidates. The demands on public education to increase STEAM courses, offer alternative pathways and provide mental health services results in the need to hire more staff or to contract with different agencies to provide services to students.

The answer is not to provide a legislative initiative to raise the starting salary step for all teachers in all school districts if there is not a commiserate funding solution to pay for the difference on a regular basis from the Commonwealth. Any jump in a first step of a salary scale, whether it is subsidized by the State or continues to be the sole purview of the local district will result in similar increases across the steps for veteran teachers. It is unrealistic to assume that an increase in the first step will not have a ripple effect of having to increase the entire salary scale across the whole step structure. This is the same of those hourly employees if the state increases the minimum wage. This will result in wage increases across the groups without commiserate compensation from the Commonwealth.

2. Facility Costs

Many school facilities across the Commonwealth are older and need more funds to maintain their buildings and grounds in order to provide a safe secure learning environment for all students. Unexpected repairs emerge that were not originally in the budget. For example, the District has a hill that is beginning to slide due to water coming up through the ground from what we believe is mine runoff. This water is causing the land to bulge and move. Currently, the District authorized \$10,515.00 for soil testing in the slope to determine the extent of the instability and water intrusion into the hill. This was not in the original budget, nor will be the repair work to stabilize the hill as a result. At this point, we don't know what the cost would be. This does not take into account projects like parking lot paving, roof repair, HVAC replacement or any new construction.

3. Charter School Costs

Charter school costs continue to grow unabated. There is little support from the legislature to rein in these costs or to increase accountability on the part of these Charters.

School Year	Charter School Cost
2020-2021	\$525,670
2021-2022	\$630,600
2022-2023	\$649,060

The increase in Charter School Costs for Charters Houston over three years increased by \$123,390. That cost is absorbed by the school district. And yet, often these schools do not provide as thorough and rigorous education that public schools do and are not held to the same level of scrutiny and performance.

4. State Mandates

Too often, legislators come up with ideas or regulations that are done without considering the impact of the cost of such regulations on local districts. To illustrate that, at Charters Houston, we have had an increase in enrollment. This increase in enrollment here, plus the enrollment at the private Christian School Central Christian Academy, has increased the caseload for our school nurses. As a small district, we have one current certified school nurse. (At the elementary school, there is an LPN) The current student caseload for the certified school nurse is 1517. The Pennsylvania School Code sets the maximum

limit for student caseloads at 1500. Because an LPN cannot carry the student caseload, the District is looking to find a contracted service with a certified school nurse to meet the needs of the students in distributing medication, applying first aide, and helping more severe students with bodily functions. There is no reason that an LPN could not assume this part of this caseload, other than the PA School Code doesn't allow for it. This inflexibility creates an extra financial burden on the District.

Summary

It is my view as Superintendent that the adjustment in the Fair Funding Formula needs to account for these things:

- Competitive salary and benefits to attract the best teaching candidates and maintain them.
- Aging facilities and unexpected costs that must be absorbed by the local community.
- Charter School Funding Reform
- Technology costs must be supported and sustained in order to prepare students for the STEAM focused career field.
- Unreasonable and unfunded state mandates

Communities with limited property tax bases cannot sustain the funding needed to maintain a competitive and high-quality school system. A declining spiral occurs where older and aging communities cannot afford to pay staff competitive wages, update programs and maintain facilities. Eventually people move out of these communities and the community population declines. In some cases, the tax burden grows on that community in order to maintain a high-quality school system. Often, these school districts must cut back on programs and cut back on services. They must hold off on repairs and building maintenance. Parents who may have at one time moved into that community, decide not to so because of the higher tax burden and the lack of academic or extra-curricular offerings that were once there. As schools get ranked, this lack of offerings impacts their overall rating, which further disincentivizes people from moving into the communities. Those students who remain in those districts often do not receive the same exposure to programs, classes, and services that other students attending wealthier districts will. In the larger picture then, the entire state workforce and ultimately state economy is negatively impacted. Fair school funding needs to be an essential component of the state budget for all students, as schools are the main engines of college and career preparation. To do any less is to sabotage our economic and civic future.