



Pocono Mountain School District

2020-2021 State of the District Finance Review

To prepare all students for tomorrow's challenges and opportunities.

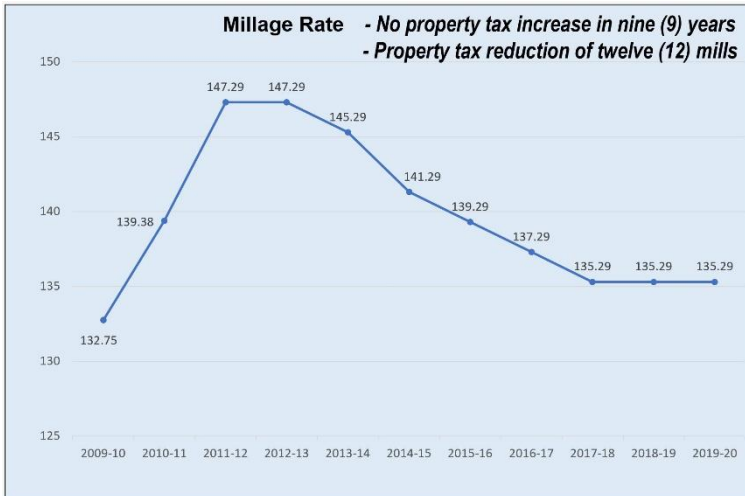
www.pmsd.org

The Pocono Mountain School District (PMSD) Board of Education and Administration prepared the PMSD 2020-21 State of the District Financial Review Fact Sheet to provide its taxpayers and community members with highlights on the financial operations and status of the district. The charts on this Fact Sheet highlight some of the key budgetary issues impacting the District and its operating budget, and cover the key financial issues community members raise in their communication with School Board Directors. Additional and more detailed financial information is available on the PMSD website at www.pmsd.org to include the very detailed Comprehensive Annual Financial Review report completed by the district Business Office annually. PMSD is one of less than 20 school districts in Pennsylvania that completes the more detailed Comprehensive Annual Financial Review report and has received seven consecutive certificates of excellence for its detailed financial reporting and commitment to financial reporting transparency from the Government Finance Officers Association and Association of School Business Officials International.

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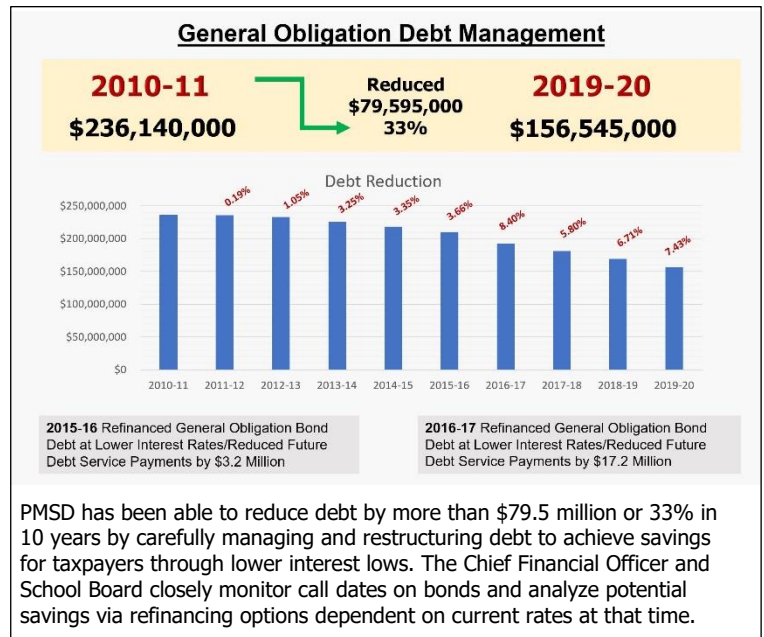
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Millage Rate Chart: Over the past 10 years the School Board has held the line on property tax increases and over that same period reduced the millage rate by 12 mills for property owners. The chart above shows the first nine years of millage rates calculations used prior to the Monroe County Property Reassessment. The PMSD School Board did not increase property taxes for the 2020-21 school year after the county-wide property tax assessment. Under this reassessment by the county, the new PMSD millage rate was set at 19.905 mills. The PMSD School Board recently adopted a 2021-22 PMSD General Fund Operating Budget that again holds the tax rate flat with no property tax increase.

Complicating the budgeting issue, State funding for PMSD ranges between 28% and 34% of its operating budget on any given year, while the State funds other school districts at much higher rates between 60% and 70% of their operating budget annually. This unequal funding by the State means PMSD property owners pay higher taxes and pay a higher percentage of their incomes toward funding schools than in many other school districts across the

State. The PMSD School Board remains committed to working hard to control taxes here at the local level, but facing great challenges moving forward if Harrisburg does not adopt and implement fair funding for all schools.



PMSD has been able to reduce debt by more than \$79.5 million or 33% in 10 years by carefully managing and restructuring debt to achieve savings for taxpayers through lower interest lows. The Chief Financial Officer and School Board closely monitor call dates on bonds and analyze potential savings via refinancing options dependent on current rates at that time.

Investment in Education

PMSD is in the education business. There is nothing more important than the continued investment in students' education. PMSD's Board is committed to offering students the very best opportunities available in a manner that is as effective and affordable as possible for taxpayers. Please also note the many expanded course offerings and programs listed in the chart above. The PMSD curriculum team is second to none and they are truly proactive professionals.

- Developed a Comprehensive Literacy Plan for Birth through Grade 12
- Expanded AP Course Offerings
- Expanded Credit Recovery Program
- Extensive Professional Development in Mathematics & English Language Arts related to PA Core Standards
- Implemented Math and Reading Enhancement Courses
- PMSD Cyber Program
- Promethean Boards Purchased for Classroom Instruction
- Revised & Expanded Program of Studies for Students
- Upgrades for Technology Infrastructure
- STEAM & STEM Initiatives
- After-School Tutoring & Virtual Tutoring for Students
- Developed & Implemented the District Comprehensive Plan
- Implementation of School-Wide Positive Behavior Support System
- District-wide offering of Odyssey of The Mind Program
- Expanded Athletic & Co-Curricular Opportunities for Students
- Expanded Electives for Secondary Students
- Extensive Investment in Technology for Use in Classrooms
- New Teacher Induction Program Implemented
- Partnerships with Weller Health Center, Saint Luke's & Lehigh Valley Health Networks

State and Federal Mandates

- Charter and Cyber Charter School Tuition
- Educator Evaluations (Act 13 of 2020)
- Paid Leave/Sabbaticals
- Public School Employees' Retirement System (Partially Funded)
- Reporting Requirements/Legal Advertising
- Right-to-Know Law
- Safe2Say
- School Construction (Partially Funded)/Prevailing Wages
- Special Education (Partially Funded)
- Third Party Contracts (Compliance/Background Checks)
- Homeless – McKinney Vento Act
- Chapter 339 – Career Readiness
- Act 126 – Child Abuse Training
- Student Assistant Program (SAP)
- Sexual Harassment Training
- AUP Training
- Graduation Requirements – Pathways to Graduation
- Trauma Informed Schools (Partially Funded with 2 Year Grant)
- School Safety – Partially Funded through Successful Grant Applications
- Act 44 School Safety and Security Coordinator

Many of these programs are needed and some are very beneficial to our district and students. However, since these mandates are unfunded the school district has no input on implementing mandated and often costly unfunded programs which can be very burdensome on local taxpayers.

District Facilities	2010/2011	2020/2021
High Schools	2	2
Junior High Schools	2	2
Intermediate Schools	2	2
Elementary Center	7	3
Pocono Mountain Academy*	1	-
Total	14	9

* Housed in WJHS

District Personnel	2010/2011	2020/2021
Superintendent & Cabinet	10	5
Principals & Assistants	32	24
Management & Supervisors	26	23
Curriculum Directors & Supervisors	40	10
Teachers	1,042	785
Support Staff	526	277
Security	21	18
Total	1,697	1,142

PMSD closed and realigned schools due to declining enrollment. These adjustments in facilities allowed the district to better match its staffing levels to enrollment levels. The district administration, under the direction of the School Board, conducts a building capacity, enrollment and staffing study annually that ensures appropriate staffing levels based on students enrollment and student needs. This annual review over the past 10 years has resulted in savings for taxpayers and greater efficiency of district operations.

Cyber School/Charter School Tuition

Fiscal Year*	Tuition		
	Regular Education	Special Education	Total
2010-11	\$ 6,270,566	\$ 1,933,779	\$ 8,204,345
2011-12	7,261,119	2,046,526	9,307,645
2012-13	8,261,836	2,369,784	10,631,620
2013-14	7,263,234	2,576,358	9,839,592
2014-15	4,264,425	2,484,412	6,748,837
2015-16	4,298,757	2,532,797	6,831,554
2016-17	4,842,995	2,683,293	7,526,287
2017-18	5,276,435	2,877,870	8,154,304
2018-19	5,585,821	2,994,785	8,580,606
2019-20	5,238,199	2,931,631	8,169,830
Grand Total	\$ 58,563,387	\$ 25,431,235	\$ 83,994,620

*Pocono Mountain Charter School Closed

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Property Tax Rebate Program Summary

Tax Year	Total Dollar Amount of Rebates Provided	Rebate Checks Sent to Taxpayers
2010	\$ 451,573	1,218
2011	483,208	1,286
2012	477,102	1,302
2013	477,552	1,327
2014	458,018	1,309
2015	974,186	1,450
2016	1,044,037	1,550
2017	1,047,203	1,548
2018	934,501	1,383
2019	844,431	1,268
Grand Total	\$ 7,191,811	13,641

This budget line item is so important and critical to helping our seniors pay their property taxes. The Property Tax Rebate has been in effect for many years at PMSD. Beginning in 2015, the Board approved an enhanced rebate to increase the dollar amount of rebates available for qualifying homeowners. PMSD may be one of the only or the only school district in the state offering the enhanced rebate.

Fiscal Management

- Significant Reduction in Expenditures
- Changed Third Party Administrator for Employee Medical Coverage
- Renegotiated Vendor Contracts and Issued RFPs for Vendor Contracts
- Instituted Procurement Department Competitive Bidding Process
- Established Five (5) Year Financial Plan
- Instituted Zero-Based Budget Approach District-wide
- Annual Appropriations to the Capital Reserve Fund
- Annual Staffing, Enrollment & Building Capacity Studies
- Dedicated Fund Balance for Increases in Employer Retirement Contributions
- Enhanced Fund Balance Policy
- Refinanced Existing Debt to Obtain Lower Interest Rates
- Reduce reliance upon using Tax Revenue Anticipation Note Loans

Analysis of Interest Earnings



The board approves authorized depositories each year and tasks the Business Department to ensure the district receives the best rate of interest offered by depositories. The board's focus on managing available cash has resulted in a total interest earnings by the district from 2010 to 2020 of more than \$6.1 million.