

Press Conference Talking Points
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Challenges in Budget Building

- Predictability in funding is critical to the effective and efficient development of our budget. A lack of predictability would create a “culture of the unknown.” This would create situations where we are developing budgets blindly, making best guesses on what we can—and cannot—afford. I’m unsure how I would be able to communicate with my community about what to expect from year to year in terms of instruction, service delivery, and extra/co-curricular opportunities for our students.
- In a “culture of unknowns” we will not be able to ensure accuracy in our budget. This could lead to needless cutting of programs or services that our students benefit from in our district.
- We are currently negotiating a teachers’ contract. We have developed a 5-year projection based upon what we know now, but if changes in funding systems occur, negotiating a long-term contract for any labor group would not be appropriate. We would be in a cycle of yearly negotiations. Because negotiations can detract from a focus on quality teaching and learning, this will undoubtedly have a negative impact on our students.

Unanswered Questions

- How will the state disburse funding? What factors will the state consider when making decisions about how to disburse funds?
- Should there be a change effective July 1st, will there be funding to disburse to districts to avoid cash flow problems?
- Will the state ensure an increase if funding from year to year? If so, how? What will be the metrics they use to do so?
- Will every district be forced in receivership?
- Will increases in funding to districts support PSERS, changes in enrollment, etc.?
- Will the state ensure appropriate funding for special education, particularly considering what is happening at the federal level and the impending Supreme Court ruling?
- Will funding be attached to those mandates that are currently unfunded?
- Will there be any mandate relief that will allow for cost reductions? If so, how will those impact programming for our students?
- What will happen to our district’s bond rating? If we can incur debt for future projects or repairs, etc., through an approved referendum, what impact will the change in funding and a change in our rating mean for our community?

Major Cost Drivers in the Budget

- The district’s PSERS contributions continue to increase. These annual increases and payments are one of the major cost drivers in our budget. In addition to “right-sizing” the district due to enrollment, we are faced with making cuts and revisions to the budget due to our PSERS contributions.

Construction

- We are currently engaged in a construction project with multi-step borrowing. We still have approximately \$7m to borrow. If we cannot borrow these funds without going to a referendum, this will jeopardize the successful completion of the project. With no guarantee a referendum would pass, we could have parts of the project that remain unfinished and unusable to our students.
- Being unable to finish our project would be costly. We have agreements with various contractors and companies to complete the work. We would pay penalties to break these contracts. We also have an escrow with our local Borough that we would potentially forfeit due to the work not being done. All of this would mean cuts to our students' educational programming.