



A Better Community...One Student at a Time

PENN MANOR SCHOOL DISTRICT

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An Equal Opportunity Employer

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Good morning. Thank you for allowing me the opportunity to express my thoughts to the committee.

My name is Chris Johnston, and I am the Business Manager for Penn Manor School District. I worked in the private sector for 12 years before coming to Penn Manor in 1996. I began my school business career as the district accountant and was appointed to the Business Manager position in 2003.

Penn Manor School District covers 110 square miles in southwestern Lancaster County and consists of seven elementary schools, two middle schools and a high school located in Millersville adjacent to the Millersville University property. The district's tax base has seen limited growth over the past decade and consists primarily of homesteads and farmsteads with fewer commercial properties than most of our neighbors. When taxes are raised in our district, the additional burden is borne mainly by residential taxpayers.

Twenty years ago, when I came to Penn Manor, the district was in the middle of a renovation to its high school. This renovation provided an addition that connected the old High School with an existing 9th grade building and created a new, larger building that stretches 1/3 of a mile from one end to the other. Unfortunately, the renovation at that time did not address electrical, plumbing and heating infrastructure in the older sections of the two previous buildings.

Since 1996, the district has done a very good job with planned capital maintenance. Using a combination of Capital Reserve Funds and Construction Bond financing, the district has updated both middle schools and six of the seven elementary schools. Renovation on the final elementary school began this summer and will be completed by the time school rolls around again next fall.

The school board should be commended for its decision to maintain our buildings proactively. Each and every decision was made after much research and deliberation. A Facility Master Plan study was commissioned and has been updated. The board and administration conducted 27 public meetings before deciding upon building a new elementary facility in 2013. We actively sought out senior citizens and community members for their input.

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- The board and administration spent two years analyzing and discussing alternatives before deciding on a proposed plan to partially re-build and renovate the high school building at a projected cost of \$87 million. Construction is not set to begin until the summer of 2019.

I consistently hear from our taxpayers that we have done a very good job at being transparent in our process and that we have done a very good job of making sure that everyone is aware of the financial implications of doing these projects.

Currently, we have several PlanCon projects in the pipeline:

- Construction of the new Hambright Elementary started in 2013 and was completed in time for the 2014-15 school year. We submitted PlanCon H in May 2014 and have not yet received our temporary reimbursable percentage. PlanCon J has not yet been submitted.
- Renovation of Pequea Elementary started in 2015 and was completed in time for the 2016-17 school year. PlanCon H was submitted in early 2015 and we have not yet received our temporary reimbursable percentage.
- Renovation of Conestoga Elementary started earlier this summer and will be completed in time for the 2017-17 school year. PlanCon F was submitted this past spring.
- Renovation of our High School is scheduled to begin by June of 2019 in order to meet the imposed deadline pursuant to Act 26 of 2016. Construction and renovation is projected to be completed in 2022. PlanCon A for this project was submitted in June of 2015.

The High School project has kept me up at night. How does a school district with an \$80 million budget raise the funding necessary to fund an \$87 million project?

- Referendum was an option, but not a truly realistic option given the long odds of gaining approval. Until the State College referendum, only one other school has gained approval to raise taxes over the index since Act 1 was passed in 2006.
- Due to the deadline imposed by the legislature, construction contracts must be signed by June of 2019 in order for our district to be eligible for current PlanCon reimbursement. Missing that deadline would mean forgoing approximately \$7.5 million in state funding.
- It became apparent to the board during our discussions that taxes would need to be raised even with state funding to meet the incredible debt burden brought about by this proposed renovation project.

This year, our board did not pass a resolution to stay within the index as it has done consistently in the past. Our district sought and used Act 1 exceptions for Special Education Costs and for Pension Costs, which allowed us to raise our taxes by 7%. Our adjusted index was 3%. Unfortunately, our board knows that we will likely have to do this again for the next two years to be able to afford this needed renovation.

I commend our school board for their vision for the school district and for their courage to vote to fund their vision. It's obviously more difficult to vote on a tax increase than to recommend a tax increase.

Our High School renovation beginning in 2019 will mark the completion of updating all 10 of our educational buildings since I have been at Penn Manor.

- We are fortunate that we are in a community that supports education – not all areas of the state are as fortunate.
- We are fortunate that we live in Lancaster County and have weathered the past few recessions relatively well – not all areas of the state are as fortunate.
- I am fortunate to work for a school board that looks forward to make sure that today's decisions provide our administration the tools and facilities that enhance student learning – not all business managers are as fortunate.
- I am fortunate to work for a school board that works well together and has been able to make the tough decisions – not all business managers are as fortunate.

I'll leave you with these last thoughts:

- I believe that the state must continue to help schools fund their capital projects. I have found out first-hand how difficult it is to raise funding for a large project. Without state assistance, many districts across the state will be faced with a no-win option of cutting programs to pay for projects.
- Equitable funding for schools has taken a step forward. Cutting funding for capital projects will have an even greater impact on those districts who are currently struggling.
- Lastly, as shown this past year, schools need stability and predictability in order to make long term decisions that have a direct impact on student learning. As I began working with my local auditors yesterday, the subject came up concerning how to account for \$700,000 in expected share of state funding that did not come in during the last fiscal year. We also discussed how the district had to pass a budget for 2016-17 without having reliable state funding numbers.

My wish is that this committee will be able to work to build a new, reliable and adequately funded program that will enable districts from all over Pennsylvania to maintain, renovate or build their schools to provide their students the ability to learn in a safe, comfortable and stimulating environment.

Thank you for your consideration.