



BALANCING THE DISTRICT'S NEEDS:

Contract talks between the Great Valley School District And its Teachers Union

The Great Valley School Board and the Great Valley Education Association (teachers union) share a common interest in providing the most effective educational experience for the students of the Great Valley School District. We are a high performing school system of choice, and we must carefully allocate all of our resources in order to maintain the level of excellence that our students deserve.

As a Board, we have established the following goals for negotiations with the Great Valley Education Association:

- Balance the need to preserve excellent teacher salaries with adequate funding for high quality programs and initiatives
- Implement a health care plan that provides fair coverage but also helps to lower the extreme increases in premiums the district must fund
- Remain competitive by offering a compensation package that continues to attract and retain high quality teachers
- Provide parameters that maximize employee time and professional development while offering a supportive and collaborative working environment

In an effort to provide clear and transparent communication, this document lays out the district's major financial priorities and challenges. These are the issues the Great Valley School Board must consider as it negotiates a contract settlement with the Great Valley Education Association (GVEA.) We are tasked with making choices and balancing all the needs of the school district.

The district's negotiating team has been working cooperatively to reach a contract with the GVEA since January. The teachers' existing contract expired on June 30, 2018. We are committed to working to find an equitable resolution to these negotiations.

GREAT VALLEY TEACHERS

We have tremendous respect for our teachers. We value them and appreciate their expertise, talent, and hard work.

- Our teachers are the highest paid in Chester County—that is, teachers at the top of the salary scale in Great Valley (in our district, that's about 40% of our teachers) are paid more than those in any other district in the county.
- Their extremely generous healthcare package (platinum level, the highest available) is very competitive as compared to the private sector as well as to other regional school districts in the area.
- We expect them to remain among the highest compensated as this next contract is negotiated.
- 72% of teachers in Great Valley have been working for the district for 10 years or more. The GVEA's demands are not necessary to help the district retain or attract the most talented teaching staff.
- Great Valley's student to staff (GVEA bargaining unit) ratio went from 13 students to 1 staff member in 2013 to 12 students to 1 staff member in 2017

Salary Comparison of Chester County School Districts Top of Scale Pay for Teachers (2017-18)



FINANCIAL PRIORITIES

- **Competitive compensation** for all staff – 68% of our budget pays for salary and benefits
- **Maintaining class sizes** – Our class size guidelines are comparable and often lower than most Chester County school districts, and we continue to work diligently to ensure we don't exceed this. We have added 23 educational professionals (who are GVEA members) since 2013 as we keep this as a priority.
- Maintaining **quality, value-added programs** for students – the hallmark of our district.
- Providing **quality special education and gifted education**.
- Offering **expanded summer programming** in the areas of academics, arts, and athletics to provide our students the opportunity to retain and gain skills, as well as enhance social and emotional development.
- Increasing **security and safety** at all schools – Training for staff, additional security features in our buildings, and programs that address mental health and awareness of these issues
- Supporting our **increasing technology needs** – In order to remain competitive in the region, Great Valley must not only meet our students' and staffs' technology needs, but also offer a K–12 **STEAM** (science, technology, engineering, arts, and math) curriculum.
- Providing **excellent professional development** for staff
- Potentially offering a **full day kindergarten** program designed to give learners a stronger foundation. Approximately 75% of school across the state and nation offer a full day kindergarten, providing adequate time for young minds to master early literacy and critical social development skills.
- Addressing **needed physical improvements and potential expansion** in our facilities and aging infrastructure

FINANCIAL CHALLENGES

Dramatically Increasing Healthcare Costs

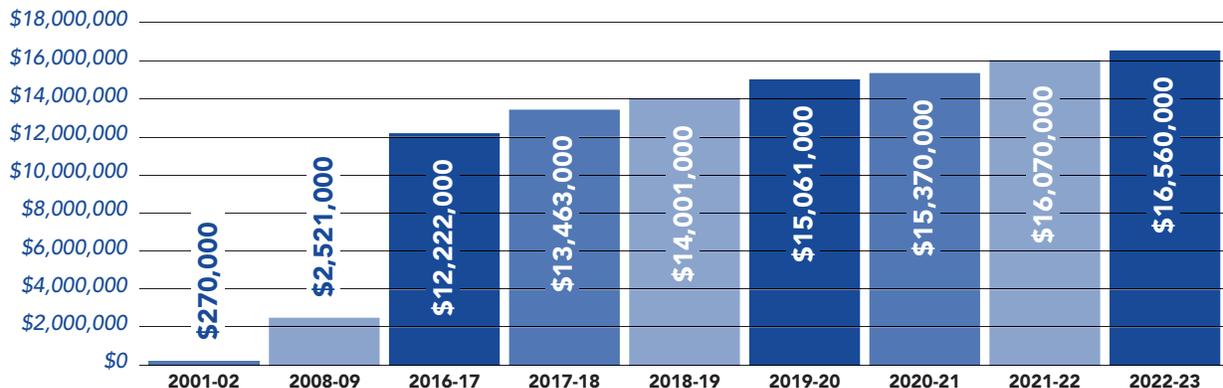
Great Valley has seen dramatic increases in its health care costs, due in large part to a few catastrophic cases, as well as significant increases in specialty prescription drug costs (a nationwide trend.) In Great Valley, 41% of the prescription drug costs are driven by claims made by fewer than 2% of the district's teachers. Their extremely rich healthcare package is platinum level, the highest available. It is very competitive as compared to the private sector as well as to other regional school districts.

Major Increases in Mandated PSERS Contributions

All Pennsylvania school districts are mandated to contribute to the Public School Employees' Retirement System (PSERS.) As state funding has fallen, local districts have been forced to make up the difference using local tax revenues. For 2018-19, districts are required to contribute at a rate of 33% of salaries. In Great Valley, that equates to \$14 million for 2018-19. The increases in this contribution rate have skyrocketed from 12.3% in 2012-13 school year to 33% this coming year, and will increase to 36% in 2022-23 school year. That means for every dollar paid to an employee, the district must contribute 33 cents to the pension fund.

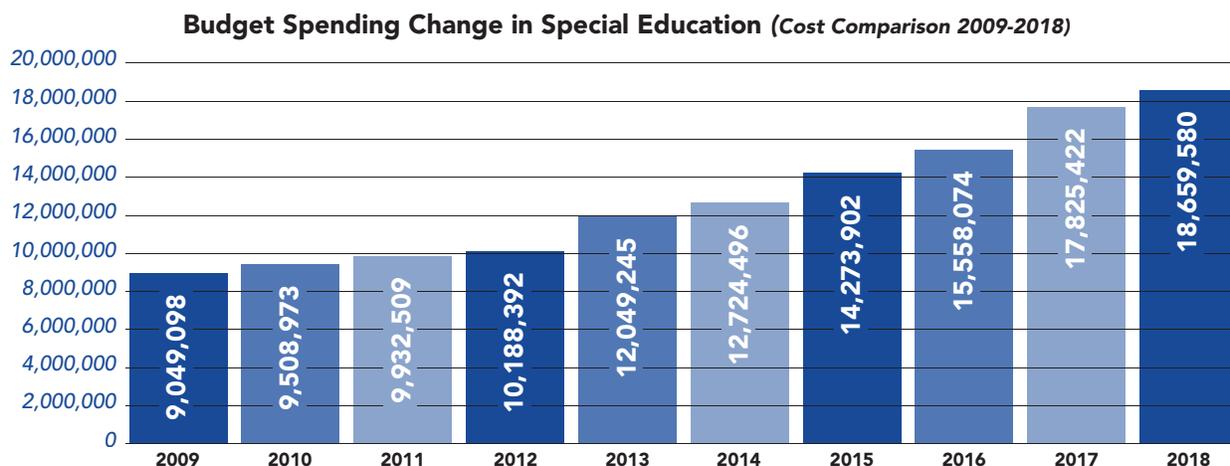
Increase in Pension Costs

Pension costs have been steadily rising since 2001.



Significant Increases in Mandated Special Education Costs

State support for special education has been virtually unchanged over the last 20 years, but the costs of providing appropriate and adequate special education, as mandated by federal law, are increasing across the nation. The district's special education budget has increased by 106% since 2009. A growing number of students are being identified for special education, and their needs are complex. It is our duty and obligation to implement Individualized Education Programs (IEPs) for our students. However, this does come at a cost.



Act 1

School districts are limited by Pennsylvania law (called Act 1) as to how much they can raise taxes without voter referendum. For 2018-19, Great Valley was only permitted to raise taxes 2.4%, which is the Act 1 limit for this year. Districts may raise taxes above that rate (called an "exception") without going to referendum for two reasons: some special education costs and increases in pension funding. The Great Valley School Board has worked diligently to keep our tax rate the lowest in Chester County (including the lack of an earned income tax) and has typically not taken exceptions to raise its tax rate above the Act 1 limit. While the district could have used exceptions for the 2018-19 school year, the Board chose not to increase the burden on taxpayers and worked within the 2.4% limit.

Other Unfunded/Under-funded Mandates

A growing list of unfunded or under-funded mandates is weighing on public school districts. In Great Valley, these include: state standardized testing and remediation; school health programs and training; staff development; various state mandated trainings; transportation services to nearly 1,000 students who attend approximately 100 different public, private, and charter schools.

Enrollment Increases

The state legislature does not provide additional funding for enrollment increases. Great Valley has seen an increase of 186 students over the last five years, bringing us to current enrollment of about 4,200 students. Educating these students is a cost that must be absorbed locally. It may also require additions to our schools and/or new school buildings.

WHAT HAS THE DISTRICT DONE TO CUT COSTS AND REDUCE SPENDING?

The administration and Board are committed to making wise financial choices and to cut spending when possible. The administration has used departmental budget reductions, the use of some existing fund reserves, streamlined and/or delayed purchasing, and participated in group purchasing strategies. The district has also streamlined its continuum of services for special education, establishing classes within the district rather than placing students outside of the district.

We appreciate and value our teachers, and our salary and benefits package has allowed us to attract and retain some of the best and brightest in the region. We fully intend to maintain desirable compensation packages for our employees and quality programs reflective of a high performing school district. Our Board must balance the many needs of our district as we continue with contract negotiations.