

PASBO & PMEA – HOW SCHOOL DISTRICTS ARE MANAGING

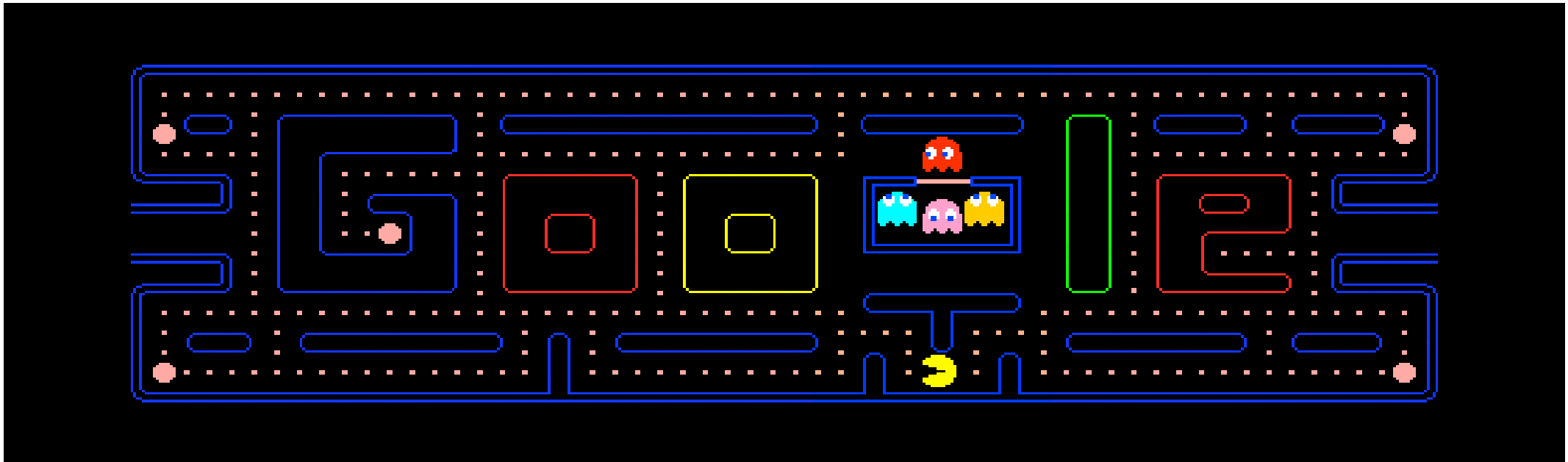
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Working to develop and support leaders in school business operations

PACMAN – THE GAME OF PROCUREMENT



SOURCES OF SCHOOL DISTRICT FUNDING

- Local
 - Local tax revenue (Property/Earned Income/Occupational)
- State (We're currently 23 days late on this!)
 - Basic Education Funding
 - Special Education Funding
 - Some districts get adequacy dollars
- Federal
 - Title funds (Some of these have been frozen temporarily - roughly \$230 million currently)

OUTSIDE PRESSURES ON SCHOOL DISTRICTS

- Federal funding freezes, delays, and one time covid funds
- Tariffs on the horizon?
- State budget delay
 - Cuts or delays in other budget areas impacting music programs
- Retiring staff

HOW DISTRICTS MANAGE – RESERVES

- School districts have reserve funds to help delay the impact felt by a prolonged budget impasse
 - Each district is going to be different in how they save and manage their reserve funds
 - The percentage that each district has is going to vary and no district is going to look the same as another
 - The differences in local tax capacity/effort plays a role

HOW DISTRICTS MANAGE – JOINT PURCHASING

- Partnering with other school districts through their local intermediate unit to combine the purchasing power of multiple districts (Buying in bulk!)
 - Chester County school districts have a joint purchasing board that allows the 13 school districts and 15 municipalities, and the IU to save taxpayers and their districts thousands of dollars
- Districts also use State & National programs such as KPN, PEPPM, Omnia, and CoStars

CONSIDERATIONS FOR SCHOOL DISTRICTS

- What does your budget look like for the upcoming year
- Where are your funds coming from?
 - Federal, State, and/or Capital funds
 - What does your property tax revenue look like

TARIFF TALK

You get a tariff, you get a tariff.....



WHAT ARE DISTRICTS ARE LOOKING OUT FOR

- Tariff Increases
- Tariff adjustments
- Additional tariff fees added to the end of bid awards

WHAT ARE YOU ALL LOOKING OUT FOR?



HOW ARE YOU MANAGING?

- In your roles have you seen more purchasing from joint purchasing boards/IU's?
- Have entities been purchasing less frequently since covid?
- What challenges have you been seeing with tariffs and federal uncertainty?

PURCHASING ISSUES/OBSTACLES

- Lack of purchasing documents
- Missing or unclear terms and conditions
- Minimum number of quotes not being met
- Open purchase policies, lacking restrictions
- Retirement of current purchasing agents

BIDS VS RFP'S

Bids	RFPs
Required by law	Not required but best practice
More formal process	Can follow bid format but can be more relaxed
Normally requires advertising	Advertising not required but can be done
Any vendor can submit	Vendor solicitation can be limited
Decision based on lowest, responsible bidder	Decision not based solely on price

WHAT DISTRICTS ARE FACING

- Reduction of transportation costs for marching band by reducing the number of buses for football games and band competitions. Also, the Board is reviewing local, district, and state MEA competitions and award events. The costs of subs and transportation for a few students is being questioned and may move to an "independent learning" environment where parents provide transportation. The board also reduced by 20% in the 25-26 budget line item for instrument repairs.

HOW DISTRICTS ARE MANAGING – COOPERATIVE PURCHASING

- We have not cut anything from our music programs, but our (1) band uniforms are almost 20 years old and we don't have the additional funding to replace them.
- We also formed a (2) co-op with a neighboring school district to help reduce costs and share services. This co-op will also be able to help reduce overall costs, but their band uniforms are 5 years old and they are not ready to update them at this time, so we are in a holding pattern and hoping to get help from the band boosters.

BREAK/QUESTIONS – LET'S THINK OF THE POSITIVES

- Many of our districts have reported that they have not seen huge increases due to tariffs *yet*
- What are you all facing in terms of tariffs? Are you imagining a greater impact in the near future?
- Have you had issues with procurement from overseas sources?

WE ARE ALL IN THIS TOGETHER!



QUESTIONS?