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PASA POINTS

The Pennsylvania Association of School Administrators

About PASA

The Pennsylvania Association of School Administrators (PASA) is an organization that is instrumental in developing successful school leadership through advocacy, support, sustainment of high-quality school administrators and a statewide collegial network.

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School districts are on the brink of major revenue shortfalls for 2020-21.

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Freezing School Property Taxes

PASA is aware that there is discussion in the General Assembly to draft legislation that would freeze school property taxes for the 2020-2021 school year at the 2019-2020 level. While we understand the concern of policymakers to financially assist residents during this economic downturn, we ask that legislators consider all the factors and implications of such legislation. PASA opposes any legislation that would eliminate a local school district's ability to provide adequate revenue to operate their school programs next year.

Projected District Revenue Shortfalls

Due to the economic implications of this pandemic, school districts face declining local revenue collections. Districts are facing many expected revenue reduction implications for the 2020-2021 school year, including:

- Lower property tax collection rates
- Lower local earned income tax collection rates
- Expected losses in real estate appeals
- Expected losses in real estate assessments
- Negative impact on bond ratings due to lower assessments

During the last recession, school districts experienced a 1.6% decrease in total local revenue, including property tax. Current projections indicate that school districts will see significant reductions in local revenue collection that will negatively affect their budgets and school programming. Freezing property taxes will have a harmful impact on all school districts and could devastate some school districts.

Burning through fund balances and reserve accounts will only leave larger budget deficits in future years. Districts simply can't use reserves on a consistent basis to pay for ongoing expenses without serious economic jeopardy to their future budgets.

"When everything seems to be going against you, remember that the airplane takes off against the wind, not with it." Henry Ford



**Pennsylvania Association
of School Administrators**

Proud Leadership for Pennsylvania's Schools

PASA Principles

All partners in education must stand accountable for their contributions to public schools and the impact their role has on student learning. This includes:

The Commonwealth's commitment to public education and recognition of shared responsibility with local communities for providing resources adequate to comply with laws and regulations regarding public education and essential to support student learning in Pennsylvania's public schools

The teaching profession's obligation to utilize evidence-based and research-based instructional strategies

Administrators' obligation to ensure that high quality leadership is in place to lead efforts to improve student learning

Student and family commitment to pursue, promote and support the value of education and life-long learning

Higher education's commitment to preparing future teachers, offering dual-enrollment courses for students and partnering with school districts to ensure student readiness

Commitment from the profession, the public, the media and the wider community in acknowledging the high importance of public education and the teaching profession to ensure a strong democracy

The greater business community's commitment to workforce development and career and college readiness

Unexpected COVID-19 Expenditures:

School districts have incurred unexpected expenses during the COVID-19 School Closures including:

- Paying food service staff without meal income
- Providing transportation for the distribution of meals throughout the community
- Purchasing personal protective equipment for personnel
- Purchasing additional cleaning supplies
- Purchasing technology for Continuity of Education Plans (WIFI hotspots, laptops and tablets)
- Preparing instructional material packets to be sent home to students

These new expenditures, coupled with several mandated expenses such as PSERS, charter school tuition, collective bargaining agreements, and rising special education costs require that districts have the ability to raise local revenue as needed to meet their state and federally mandated obligations.

Policy discussions regarding funding and revenue cannot be considered in a vacuum, nor should they be considered without knowing the full impact of this pandemic on local districts. Rather, they must be considered together in light of pandemic timelines and impacts so that school districts have the ability to build budgets that recognize and address both the needs and challenges of students and taxpayers.

The Uncertainty of State and Federal Revenues

PASA and school leaders are very grateful to the General Assembly and the Governor for the passage of Act 13 of 2020. This bipartisan legislation has led to the stabilization of school districts during the school closures as we help our communities practice the social distancing needed to battle the virus and keep everyone safe.

As we look ahead to the 2020-2021 fiscal year, we know that the General Assembly and the Governor will be faced with very difficult decisions to balance the state budget. We are pleased to know that some relief is coming to school districts through the federal CARES Act, but we are still unsure how those dollars will be allocated to school districts or what part they will play in the upcoming state budget. With these unknowns looming, PASA recommends that local school districts continue to have the authority to control their school property tax rates within the current Act 1 law to ensure that they will be able to meet the needs of the students in the coming school year.