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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PASA POINTS

The Pennsylvania Association of School Administrators

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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.
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.