News Release

HARRISBURG, PA – June 16, 2015— After five years of historic reductions in state and federal funding and unchecked increases in mandated costs, school districts across the commonwealth plan to balance 2015-2016 budgets through property tax increases, staff and/or program reductions, or a combination of the two.

The findings are revealed in the latest school budget survey by the Pennsylvania Association of School Business Officials (PASBO) and the Pennsylvania Association of School Administrators (PASA), and represent the most current, comprehensive financial picture for Pennsylvania’s school districts.

The survey finds:

- More than 70 percent of districts plan to raise local property taxes, and nearly 80 percent of these indicate that the increases will hit or exceed the Act 1 index.
- Forty-one percent of districts will reduce staffing.
- Nearly one-quarter of all districts, and 29 percent of the poorest districts, will reduce or eliminate valuable programs.

Districts indicated that mandated pension, health care, special education and charter school tuition costs continue to present sizable burdens, with a significant majority of districts projecting increased costs in each of the four areas. For example, 69 percent of districts anticipate increased cyber charter school tuition costs in 2015-2016. Among these districts, the average increase over 2014-2015 costs is 12 percent—second only to the increase in mandated pension costs.

While mandated costs have increased, the overall state share of education funding is down from 39 percent in 2008-09 to 37 percent in 2014-15, with the burden shifting to local property taxpayers. Seventy-one percent of districts plan to increase local property taxes, with 80 percent planning to increase taxes at or above the Act 1 index. This will mark the sixth consecutive year in which a majority of districts have raised property taxes to meet education needs.

As districts struggle to find revenues to balance their 2015-16 budgets, 41 percent plan to reduce staffing. Eighty-nine percent of these districts plan to reduce staff levels by abolishing positions, 25 percent through furloughs and five-percent by instituting a hiring freeze.

On top of the considerable program reductions and eliminations made by a large majority of districts over the past five years, results from this survey indicate that 23 percent of districts, and 29 percent of high-poverty districts, anticipate making program reductions or eliminations in 2015-16.

Among the few bright spots, when asked about the potential impact of Governor Wolf’s proposed budget, 43 percent of districts reported staff reductions could be minimized. The same percentage of districts reported that the Governor’s funding proposal would allow for the reduction or elimination of local tax increases. In districts that have reduced or cut instructional and extracurricular programs over the past five years, 41 percent indicated they could make restorations under the Governor’s plan.
Jay Himes, PASBO executive director, reacted to survey results stating, “Until school districts are provided some margin of relief from externally driven, mandated costs and provided increased investments in state funding, we will continue to see more program and personnel cuts and higher property taxes. We can’t continue the failed strategy of cutting our way to success.”

Jim Buckheit, PASA executive director, added, “Survey findings reveal that the vast disparities in resources available to poorer districts that rely most heavily on state funding and well-off districts that rely more heavily on local property taxpayers to support their schools continues to widen. This has created a public education system that provides students, depending on where they live and go to school, widely different and unequal, educational opportunities. “

The survey of the 499 Pennsylvania school districts was conducted from May 1 through May 26, 2015. Responses were provided by 346 school districts (69 percent). Participating districts represent 66 of Pennsylvania’s 67 counties (99 percent). Together, these districts educate approximately 1,170,000 students, or 74 percent of the Commonwealth’s traditional K-12 public school enrollment. Districts responding to the survey range in size from the largest district, Philadelphia, with a student enrollment of 134,241, to 28 districts with student enrollments of less than 750 students.


About PASBO:
http://www.pasbo.org
The Pennsylvania Association of School Business Officials is a statewide organization with more than 3,000 members, two-thirds of whom are K-12 non-instructional administrators serving in the areas of finance, accounting, facilities, transportation, food service, technology, communications, human resources, purchasing and safety. PASBO’s focus is on educating its members through professional development opportunities as well as keeping them informed on the latest legislative issues affecting school business through workshops, the annual conference, specialty conferences and publications. Business Associate members provide products and services that can improve the operation of schools and support classroom learning.

About PASA:
http://www.pasa-net.org
The Pennsylvania Association of School Administrators represents school superintendents and other school leaders from across the Commonwealth. PASA’s mission is to promote high quality public education for all learners through its support and development of professional leadership.

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