



News Release

Contact: Jay Himes (717) 350-8593 jhimes@pasbo.org
Jim Buckheit (717) 540-4448 jbuckheit@pasa-net.org

HARRISBURG, PA – June 6, 2016 – As Pennsylvania’s school districts work to balance and finalize their 2016-17 budgets on the heels of the nine-month state budget impasse, unchecked mandated cost increases and unpaid state school construction reimbursements are forcing school districts across the commonwealth to cut instructional and extracurricular programs, reduce classroom and other staff and increase local property taxes.

These findings are revealed in the latest school budget survey conducted 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 public schools.

The report, titled *Continued Cuts: Losing Confidence, Losing Learning*, documents the ongoing impact of the 2015-16 budget impasse and cumulative effect of six years of mandated expenses outpacing state funding, resulting in shifting the tax burden to local property taxpayers combined with cuts to staff and educational programming.

Survey findings show that the 2015-16 state budget impasse forced 48 school districts (14%) to borrow a whopping \$746 million to keep their schools open while more than 140 districts reduced, delayed or renegotiated payments to vendors. More than one-third of districts indicate they will need to borrow funds to meet fiscal obligations if the 2016-17 state budget is not approved by June 30.

The survey finds:

- Eighty-five percent of districts plan to increase property taxes, with 30 percent planning to raise taxes above the Act 1 index.
- Fifty percent of all districts plan to reduce or eliminate academic and extra-curricular programs, while 56 percent of high poverty districts plan to cut or reduce programs.
- Forty-six percent of districts plan to reduce staff.
- Seventy-three percent of districts plan to increase elementary class sizes, and 64 percent plan to increase high school class sizes.
- Eighty-three percent of responding districts indicate they will need to use fund balance to balance their budgets in fiscal 2016-17.

Mandated pension, health care, special education and charter school costs continue to escalate at rates that continue to exceed the total additional resources provided through increased state funding and local tax increases.

The report features stories from six school districts: Coudersport Area, Corry Area, Southeast Delco, Elizabeth Forward, Reading and Hanover Area, representing urban, suburban and rural districts, illustrating how these combined factors have impacted school district financial conditions and student learning opportunities.

Jim Buckheit, PASA executive director, responded to the survey stating “Following six years of continued cuts of educational programs and staff, and the lingering impact of the nine-month state budget stalemate, a considerable number of school districts have reached their tipping point, where without immediate state action to address these challenges, they will be able to offer only bare-bones educational programming to their students.”

Jay Himes, PASBO executive director, said the survey shows that mandated expenses are consuming any new state funding. “We continue to march backwards resulting in more cuts, higher property taxes and reduced educational opportunities. Our only option to balance schools’ budgets is increasing property taxes, cutting staff and spending down reserves.

The situation in Hanover Area School District, one of the districts profiled in the report, remains challenging even after the resolution of the budget impasse. According to Tom Cipriano, Jr., Business Administrator, “we’ve done all the tricks, but we’re spending so much time on negotiations and contingency plans to close schools, instead of doing the things that we’re supposed to be here to do.”

Similarly, Elizabeth Forward School District, another district profiled in the report, is feeling the strain due to unpredictable state funding levels and delayed state budgets. “These challenges have a disproportionate impact on less affluent districts and the children they serve, yet we’re all being judged by the same accountability standards,” said Rich Fantauzzi, Director of Finance and Operations.

The survey of the 500 school districts was conducted from April 4, 2016 through April 29, 2016. Responses were provided by 355 school districts (71 percent). Participating school districts represent all 67 counties. Together these districts educate approximately 1,211,000 students, or 76 percent of the Commonwealth’s traditional PK-12 public school enrollment. Participating districts range from the largest districts in the state (Philadelphia with 134,538 students) to 28 districts with fewer than 750 students, and every type of district in between.

A copy of the report is available on the PASA website at www.pasa-net.org and the PASBO website at www.pasbo.org

About PASBO:

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:

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.