



MEDIA CONTACTS:

Jim Buckheit, Executive Director
Pennsylvania Association of School Administrators (PASA)
717-540-4448

Jay Himes, Executive Director
Pennsylvania Association of School Business Officials (PASBO)
717-540-9551

FOR IMMEDIATE RELEASE

CHALLENGING FINANCIAL CONDITIONS GETTING WORSE FOR SCHOOL DISTRICTS STATEWIDE

HARRISBURG, PA (February 23, 2015) -- Challenging situations are getting worse in schools statewide according to an update to the annual Pennsylvania Association of School Administrators (PASA) and Pennsylvania Association of School Business Officials (PASBO) budget survey.

School districts overwhelmingly implemented last spring's projected budget cuts, staff reductions, and tax hikes in their final spending plans for fiscal year 2014-15. Ninety-nine percent of respondents project more of the same or worsening fiscal conditions in 2015-16.

"Just when you thought it couldn't get any worse, school leaders are saying they will need to do less in order to balance their budgets," said PASA Executive Director Jim Buckheit. "The state has an obligation to provide equity and adequate basic education funding for all schools. This is an annual problem that is within our reach to fix this year."

Last year, the Pennsylvania General Assembly established a Basic Education Funding Commission to study and make recommendations for distributing state education dollars to school districts. Recommendations are due by June. If legislation passes and is signed by Governor Wolf this session, state basic education funds could be distributed by formula for next school year.

"The facts, figures and case studies in this report provide further evidence that action is needed this year to fix the way our schools are funded," said PASBO Executive Director Jay Himes. "PASA and PASBO stand ready to work with lawmakers to change this pattern of despair in many schools throughout our Commonwealth. We need a predictable and fair school funding system with new revenues that reflects our shared responsibility to support a quality education for all students in every community."

The results of the PASA-PASBO survey make up the largest sample of actual school district budgets ever recorded in the survey's four-year history with 321 school districts, or 64 percent of the statewide total, providing responses. Together, these districts educate more than 1.1 million Pennsylvania public school students, 70 percent of the statewide total.

Survey results include statistics on mandated costs, local property tax increases, staff and programmatic reductions, academic programs, class sizes, extracurricular activities, and delayed progress in other services. For the first time, the report also includes district case studies to provide a more complete picture of the challenges communities are facing throughout the state.

The June PASA-PASBO report identified significant externally imposed costs that would present challenges for districts even if state funding were adequate, equitable and predictable. With an increase in pension obligations of \$562 million from the prior year, the school pension crisis topped the list with 100 percent of spring survey respondents anticipating increased pension costs for the 2014-15 school year. In the fall update, districts were asked to report on: a) increases in each of the following areas in the last five fiscal years (since 2010-11); and b) the specific rate of increase, if any, over the last year (2013-14 to 2014-15).

- HEALTH CARE – 93 percent of respondent districts said they faced increased health care expenses over the last five years, while 81 percent reported higher costs from 2013-14 to the 2014-15.
- SPECIAL EDUCATION – 91 percent of respondent districts reported increased special education costs since 2010-11, and 78 percent reported increased special education expenditures in 2014-15. Even with an additional \$20 million (the first increase in six years), mandated costs continued to rise at the district level.
- CHARTER PAYMENTS – 85 percent of respondent districts reported increased payments to one or more of 162 “brick-and-mortar” charter schools and 14 cyber charters over the last five years. For the 2014-15 fiscal year, 56 percent of respondent districts reported increased payments to charter schools. A key factor in the rising costs is the loss of state charter school reimbursement funds.

The following data illustrates the shifting burden within school finance:

- PROPERTY TAXES – With nearly all districts raising property taxes at least once over the past five years, more than 60 percent of districts said they raised property taxes in every fiscal year.
- TAX INCREASES – There has been a steady rise in the frequency of tax increases since 2012-13.

The burden of local funding increases fell most heavily on Pennsylvania’s poorest communities. When sorted into quartiles, the most impoverished and second poorest group of districts reported increasing local education spending by 11 and 17 percent respectively since 2008-09 – roughly two to three times the increases these districts received from the state.

Survey results also identified additional changes to programs:

- STAFF -- 93 percent of school districts reported staff reductions since the 2010-11 fiscal year, while 90 percent of districts left positions vacant, 50 percent made furloughs, 46 percent took both actions, and more than 85 percent reported furloughs or vacancies on multiple occasions.

- **PROGRAMS** -- Nearly three quarters (74 percent) of districts reported at least one academic program cut or reduction since 2010-11 and nearly 40 percent responded that cuts were made in 2014-15.
- The most common cut among high-poverty districts was summer programming. At least 10 percent of high-poverty districts reported that cuts were made to field trips, foreign languages, visual arts, business education, music/theatre and prekindergarten. Additional cuts were reported in physical education, career and technical education, dual enrollment, Advanced Placement/International Baccalaureate, special education, kindergarten and programs for under-credited/over-age students.
- **CLASS SIZE** -- Districts have made substantial increases in class sizes in response to budgetary pressures. A majority of respondents reported at least one round of class size increases since 2010-11. Approximately one third of responding districts (more than 100) reported an increase in class size at one or more grade span in 2014-15.
- **EXTRA-CURRICULAR ACTIVITIES** – More than half of respondent districts (53 percent) reported cuts or reductions to at least one are of extra-curricular activities since 2010-11. Nearly one quarter (22 percent) of high-poverty school districts cut summer or extended day programs this fiscal year.

The report goes further to discuss the scale of cuts in terms of education jobs lost, the loss of thousands of classroom teachers in the highest poverty districts, positions outsourced.

Other areas of hardship noted in the report include:

- **SCHOOL CONSTRUCTION** – One third of respondent districts reported financial burden from delayed school construction payments during the state’s two-year moratorium on Planning and Construction (PlanCon) projects.
- **PURCHASED SERVICES** – Nearly half of respondent districts (46 percent) reported delaying or cancelling at least one major purchase or service during fiscal year 2014-15. More than one quarter of districts (27 percent) reported delaying or cancelling a technology purchase and 24 percent reported delayed or cancelled purchases of textbooks or curriculum materials.
- **TRANSPORTATION** – More than one third of respondent districts (37 percent) reported changes to transportation services, including cancelling and/or combining routes, shrinking bus fleets, and reducing or eliminating after-school and activity bus services.

Read the full report [here](#)

Read what other education leaders are saying, [INSERT HYPERLINK]

###