

EMERGENCY PUBLIC MEETING

FOXCHAPEL DISTRICT FORUM

Tuesday, January 31 at 7 p.m. LGI room at the high school

Welcome

District Forum

Why is this an Emergency?

Fox Chapel Area School District Superintendent Dr. Gene Freeman

The Property Tax Independence Act & Tax Shift Implications to School Funding

Director of Legislative Policy and Advocacy, Allegheny Intermediate Unit, Jamie Baxter

Loss of Local Control and the Realities of Referendums—The Impact on You and Your Child

District Forum President Elizabeth Klamut

Q&A

How much of our funding comes from our local businesses in property tax? Do we need that money?

How does it account for increases inherent in any organization? Maybe "locking in" is o.k.?

If this doesn't work, will we go back to the way it was? Is this the first step to a better solution?

What if there's not enough sales tax? We can always do a referendum, right?

How concerned should we be about additional things that will now be taxed? Maybe it's better?

Doesn't this make school funding more equitable?

What is the time frame for the bill?

Concluding Remarks

How to voice your concerns to your state senator and representatives

Open to all parents and residents of FCASD. Children welcome. The LGI Room is by the athletic office entrance (fox statue) at the high school. For more information, visit foxchapeldistrictforum.com, <https://www.facebook.com/foxchapeldf>, or email fcdistrictforum@gmail.com

"Property tax elimination does nothing more than shift the burden of raising \$14 billion in education funding, from one group of taxpayers to another."

— Jay D. Himes, PASBO Executive Director



ALLEGHENY COUNTY SCHOOLS

PROPOSED PROPERTY TAX ELIMINATION SUMMARY

- School Property Tax – Eliminated except to cover district debt
- Personal Income Tax (PIT) – Proposed increase from 3.07% to 4.95%
- Sales and Use Tax (SUT) – Proposed increase from 6% to 7% (expanded to tax additional goods and services)

(The information above is based on legislation as previously introduced.)

KEY POINTS:

1. Local control of school districts will be greatly diminished
2. Local tax dollars may not stay local
3. Inequity in education funding will lock in place
4. New bipartisan-approved Basic Education Funding Formula will be meaningless
5. Some residents will continue to pay significant amounts of property tax (based on district debt)
6. Some residents of PA's poorest school districts will be hit the hardest — double taxation
7. Tax shift from businesses to individuals (\$2 billion)
8. PA schools may physically deteriorate more quickly (construction loans require voter referendum)
9. Income tax deduction for school district real estate taxes will be lost
10. Personal Income Tax and Sales and Use Tax are affected much more than property taxes during a recession

WINNERS:

- Big Business/Corporations
- Landlords/Commercial Property Owners
- Possibly Delinquent Taxpayers
- Out-of-State Property Owners
- Many Retired Homeowners?

LOSERS:

- Renters
- Individual Working Taxpayers
- Small Business Owners
- Public School Students
- Local Control

MAJOR QUESTIONS:

1. How will education money be distributed in future years?
2. How will education money be affected by a downturn in the economy?
3. Will education dollars be distributed quarterly in advance or in arrears (cash flow)?
4. How will school districts handle increases in mandated costs (PSERS, charter schools, special ed, etc.) that rise greater than the cost of living increases the state will give school districts each year?
5. Will delinquent property taxpayers be left off the hook?
6. Will first year distribution from the state that will use a baseline of the prior year taxes collected include both current and delinquent taxes collected?
7. Will the state negotiate and control collective bargaining?
8. Will the state revise its budget timeline in the future?
9. How will inequities in student funding be addressed?
10. Will it really benefit all retired homeowners?



This informational sheet was originally prepared by the Berks County Committee on Legislative Action
Sources: PASBO, PASA, PSBA, PARSS, PAIU, news media

Revised January 26, 2017



Implications of Property Tax Elimination for Parents

PROPERTY TAX ELIMINATION MEANS CUTS ARE IMMINENT. Property tax elimination will create significant financial challenges for school districts, giving them no option but to respond to these challenges through cuts to programs, services and staff. With no ability to raise needed revenue to respond to district needs, when special education costs increase, when enrollment increases or when the middle school HVAC system fails, the district will have no option but to cover those necessary costs through cuts. Education will suffer.

PROPERTY TAX ELIMINATION KILLS LOCAL DECISIONMAKING. With the elimination of property taxes, comes the elimination of virtually all local control that is the hallmark of Pennsylvania school district governance. School boards, parents and communities will no longer have any authority to make decisions that impact the educational, extracurricular or other programming at the school district. Without this authority, school districts will not be able to add new academic programs, increase staffing or implement extracurricular programs to respond to the needs of their students, and education will become a state-driven, one-size-fits-all approach in 500 school districts.

PROPERTY TAX ELIMINATION LOCKS IN INEQUITY IN EDUCATION FUNDING. If property tax elimination is approved, the state will send one school district \$5,100 per student in total state funding, while another school district will receive nearly \$28,000 per student in total state funding. The state will be picking educational winners and losers, indicating that to Harrisburg, some of Pennsylvania's students are worth more than others.

PROPERTY TAX ELIMINATION MEANS SCHOOLS MAY STRUGGLE TO OPEN THEIR DOORS. The massive shift to increased personal income and sales taxes to replace school property taxes can't happen overnight. If school districts can't levy a property tax after June 30, 2017, many school districts won't have the revenue (since the state hasn't implemented the increased taxes yet and since districts will be prohibited from borrowing) to open their doors to students in September. What happens to students' education while the state sorts out the administrative chaos created from this shift?

PROPERTY TAX ELIMINATION MEANS SCHOOLS WILL DETERIORATE. The health and safety of students and staff should be of utmost importance, but under property tax elimination, most school districts will have no ability to respond even to the most critical of school building maintenance needs. With no ability to raise revenue or even incur debt, most school districts won't be able to replace a leaking roof, update school security infrastructure, fix a faulty heating system or even pave a parking lot. As a result, schools will deteriorate to the detriment of students and their ability to learn.

IT DOESN'T ELIMINATE SCHOOL PROPERTY TAXES. Property tax elimination maintains school property taxes to pay off school district debt. Taxpayers in over 40% of school districts will maintain at least 20% of their current school property tax bill—in addition to paying more in statewide personal income tax and sales tax. Taxpayers in 24 school districts will maintain at least 50% of their current property tax bill, and taxpayers in some districts will continue to pay 100% of their current school property tax bill even after an elimination bill passes.



Implications of Property Tax Elimination for Taxpayers

LOCAL TAX DOLLARS DON'T STAY LOCAL. For most counties, it's unlikely much of the increase in personal income or sales tax you will pay under property tax elimination will actually find its way to your school district. To replace the property taxes levied by all school districts, a large portion of the new state dollars collected will flow to the school districts in Pennsylvania's largest counties. This means that education funding is no longer local and your tax dollars are likely to be shipped across the state to benefit students hundreds of miles away.

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IT DOESN'T ELIMINATE OTHER LOCAL PROPERTY TAXES. In addition to property tax elimination not eliminating school property taxes, it doesn't even touch county or other local government property taxes. This means that taxpayers will still be paying an ever-increasing \$5 billion in non-school property taxes each year.

IT'S DOUBLE TAXATION ON THE POOREST CITIZENS. The residents in some of Pennsylvania's poorest school districts will be hit the hardest by property tax elimination. Not only will they not have their property taxes eliminated—many will maintain more than 50% of their current property taxes—but they will also be paying the increased personal income and sales taxes, which will be shipped out of their community to subsidize the education in some of the wealthiest school districts in the state. This proposal is nothing more than robbing Peter to pay Paul.

IT SHIFTS TAXES FROM BUSINESSES TO INDIVIDUALS. Eliminating property taxes across the board means that the property tax burden carried by businesses will be shifted to individuals in the form of increased personal income and sales taxes. Across Pennsylvania, businesses are currently paying approximately \$2.7 billion in property taxes, which will be shifted away from those businesses. Property tax elimination gives Walmart a free ride at the expense of individuals and small businesses.

IT GIVES A WINDFALL TO THE FEDS. The elimination of property taxes means that approximately \$600 million will be sent to the federal government each year through lost federal income tax deductions. More Pennsylvania money will go to Washington D.C. than ever before, meaning that there will be hundreds of millions of dollars less to be used to generate additional sales tax revenue.

WHO NEEDS LOCAL CONTROL, ANYWAY? With the elimination of school property taxes, comes the total elimination of taxing authority by locally elected school boards and a total undercutting of local control. As a result, locally elected school board members—individuals locally elected by their communities to make the important decisions, including funding decisions, about how to run and operate the district's schools—will be rendered useless. The state will oversee and second guess every decision made by a school board. This elimination of local control and focus on big government for education flies in the face of over 100 years of PA tradition.

Property Tax Independence Summary and Senator Contact

This proposed legislation would fund Pennsylvania schools through additional sales tax (adding taxes to food and clothing as well as all other goods and services) and an additional income tax. It is generally known as Property Tax Independence.

Local school districts would lose control of their budgets, because these tax dollars would be controlled by the state. Property taxes would not go away.

It is important to note, that this is not an attempt to equalize school funding across the state. Under Property Tax Independence, each school would be 'locked in' to the current year's budget—never getting an increase. Schools in poorer districts are not getting help, instead, they will *forever* have an insufficient budget.

We have received notification that this will be introduced to the senate soon.

Your state senator is Randy Vulakovich or Wayne Fontana (Sharpsburg only). They need to know that their constituents **will not benefit from Property Tax Independence.**

Please take a moment to call Senator Vulakovich or Senator Fontana and voice your concerns. It is that easy—but senators can only listen to the constituents they hear from.

Please call either office or both. Below is a suggested message:

"Senator, my name is _____ and I am a parent in the Fox Chapel Area School District. I am very concerned about the impact that Property Tax Independence would have on Pennsylvania schools. This is wrong for our children and community. Please voice my concerns to the senate. Thank you for your time."

Randy Vulakovich (R) – 38th PA Senatorial District

***District Office* 412-487-6600**

***Harrisburg Office* 717-787-6538**

Wayne D. Fontana (D) – 42nd PA Senatorial District

***District Office* 412-344-2551**

***Harrisburg Office* 717-787-5300**

State Senators

Randy Vulakovich (R) – 38th PA Senatorial District
Representing Aspinwall, Blawnox & Fox Chapel Boroughs, and Indiana & O’Hara Townships

District Office

Shaler Township Municipal Building
300 Wetzel Road
Second Floor, Suite 302
Glenshaw, PA 15116
412/487-6600

Harrisburg Office

Senate Box 203038
168 Main Capitol Building
Harrisburg, PA 17120
717/787-6538

Website & Emails Visit: www.senatorvulakovich.com/

Wayne Fontana (D) – 42nd PA Senatorial District
Representing Sharpsburg Borough

District Office

932 Brookline Boulevard
Pittsburgh, PA 15226
412/344-2551

Harrisburg Office

543 Main Capitol
Box 203042
Harrisburg, PA 17120
717/787-5300

Website & Emails Visit: www.senatorfontana.com/

State Legislators

Dom Costa (D) – 21st PA House Legislative District
Representing Sharpsburg & Aspinwall Boroughs and Part of O’Hara Township

District Offices

6808 Greenwood St., Suite 2
Pittsburgh, PA 15206
412/361-2040

Harrisburg Office

217 Irvis Office Building
PO Box 202021
Harrisburg, PA 17120
717/783-9114

Website & Emails Visit: www.pahouse.com/dcosta/

Frank Dermody (D) – 33rd PA House Legislative District
Representing Indiana Township

District Office

1331 Freeport Road
Cheswick, PA 15024
724/274-4770 or 1-800-582-VOTE (8683)

Harrisburg Office

423 Main Capitol Bldg.
PO Box 202033
Harrisburg, PA 17120
717/787-3566

Website & Emails Visit: www.pahouse.com/dermody/

Anthony DeLuca (D) – 32nd PA House Legislative District
Representing Blawnox Borough & Part of O’Hara Township

District Office

7205 Saltsburg Road
Pittsburgh, PA 15235
412/793-2448

Harrisburg Office

115 K. Leroy Irvis Office Bldg.
PO Box 202032
Harrisburg, PA 17120
717/783-1011

Website & Emails Visit: www.pahouse.com/deluca/

Hal English (R) – 30th PA House Legislative District
Representing Fox Chapel Borough & Part of O’Hara Township

District Office

4290 William Flinn Hwy
Suite 200
Allison Park, PA 15101
412/487-6605

Harrisburg Office

406 Irvis Office Building
Harrisburg, PA 17120
717/260-6407

Website & Emails Visit: <http://www.repenglish.com/>

1/26/17

**Senators who voted "Yes" to property tax elimination in 2015
& new Senators sworn into office in 2017**

Senator	Party / County	Harrisburg Office	District Office
Richard Alloway	R - Adams, Cumberland, Franklin and York	717-787-4651	717-264-6100
David Argall	R- Berks and Schuylkill	717-787-2637	610-562-3411 570-621-3400 877-327-4255 570-668-1240
Ryan Aument	R-Lancaster	717-787-4420	717-627-0036
Lisa Baker	R- Luzerne, Pike, Susquehanna, Wayne, Wyoming	717-787-7428	570-675-3931 670-226-5960
Camera Bartolotta	R - Beaver, Greene, Washington	717-787-1463	724-746-3762 724-627-9802
James Brewster	D- Allegheny and Westmoreland	717-787-5580	412-380-2242
Patrick Brown	R- Lehigh	717-787-1349	610-821-8468
Andrew Dinniman	D- Chester	717-787-5709	610-692-2112
John Eichelberger	R- Blair, Cumberland, Franklin, Fulton, Huntingdon	717-787-5490	814-695-8386
Mike Folmer	R- Dauphin, Lebanon, York	717-787-5708	717-274-6735
Bob Mensch	R- Bucks and Montgomery	717-787-3110	215-541-2388
Joseph Scarnati	R- Cameron, Clearfield, Clinton, Elk, Jefferson, McKean, Potter, Tioga	717-787-7084	814-265-2030 570-724-5231 814-837-1026
Mario Scavello	R- Monroe, Northampton	717-787-6123	570-620-4326 610-863-1200
Judith Schwank	D- Berks	717-787-8925	610-929-2151
Pat Stefano	R- Fayette, Somerset, Westmoreland	717-787-7175	724-626-1611 814-443-2053
Elder Vogel	R- Beaver, Butler and Lawrence	717-787-3076	724-774-0444
Randy Vulakovich	R- Allegheny	717-787-6538	412-487-6600
Scott Wagner	R- York	717-787-3817	717-846-2828
Donald White	R- Armstrong, Butler, Indiana, and Westmoreland	717-787-8724	724-357-0151 724-543-3026
John Yudichak	D- Carbon, Luzerne	717-787-7105	570-740-2434 570-883-4690
New Senator	Party / County	Harrisburg Office	District Office
Sharif Street	D- Philadelphia	717-787-6735	215-227-6161
Scott Martin	R- Lancaster	717-787-6535	717-397-1309
John DiSanto	R - Dauphin, Perry	717-787-6801	717-582-2454
Michael Regan	R- Cumberland, York	717-787-8524	717-432-1730
Wayne Langerholic	R- Bedford, Cambria, Clearfield	717-787-5400	814-765-0555 814-623-5004
Daniel Laughlin	R - Erie	717-787-8927	814-453-2515

from PSBA Special Report: Update on Property Tax Proposal, January 30, 2017

Suggested message: "Senator, my name is _____ and I am a parent in the Fox Chapel Area School District. I am very concerned about the impact that Property Tax Independence would have on Pennsylvania schools. This is wrong for our children and community. Please voice my concerns to the Senate. Thank you for your time."

FOXCHAPEL

DISTRICT FORUM

Join us for our next PUBLIC EVENT on
Tuesday, February 14th at 9 am
LGI room at the High School

The topic will be Technology in Grades K-12

- The plan for technology including a discussion of devices and curriculum
- Overview of the new computer science curriculum
- Moderated Q & A session
- Tour of the High School Fab Lab

Open to all parents and residents of FCASD. Children welcome.

Refreshments will be served.

The LGI Room is by the Athletic Office entrance (fox statue) at HS.

For more information, visit foxchapeldistrictforum.com
or email fcdistrictforum@gmail.com