

POTTSTOWN CITIZENS FOR Enlightened LEADERSHIP

2018-19 school taxes can't top 3.5%

Last week, the Scranton School District sent layoff notices to 51 teachers, including all the district's librarians.

Incredibly, the district has managed to accumulate a \$40 million deficit. Scranton faces being taken over by the state if it doesn't get its fiscal house in order.

Happily, finances at the Pottstown School District have been well managed over the years. The district's surplus has more than doubled over the last ten years, even though taxes have not been raised for the last three years.

But this healthy financial picture comes at great cost to the community — the district has the third highest taxes of Pennsylvania's 500 districts.

Exorbitant taxes are the No. 1 impediment to the revitalization of our town. They are the chief reason we have trouble attracting productive residents and businesses and keeping them here.

Because the district receives so much of its funding from the state, it's hard to develop next year's school budget before the governor announc-

es his 2018-2019 budget next week. It will be months more before an actual state budget is passed.

Last November, the school board voted it will not raise taxes more than 3.5 percent for the 2018-2019 school year — the annual inflation index provided by the state.



Commentary by
Tom Hylton

Unlike Council, which is still wrestling with a projected 12 percent tax increase for 2018, the school board has already committed itself to do whatever is necessary to avoid a major tax increase.

Unlike Council, let's hope the district is looking long-term to ensure it will remain financially sustainable.

Source of PSD funding 2017-2018 school year	
Local	56%
State	40%
Federal	4%

Pottstown School District year-end fund balance, tax increases				
Year	School District Budget	State subsidy	End of year Surplus	Tax increase
2008-2009	\$50,407,795	\$18,228,346	\$3,365,560	6.1%
2009-2010	\$53,401,543	\$18,459,566	\$4,704,259	5.7%
2010-2011	\$54,553,223	\$19,274,881	\$7,203,047	4%
2011-2012	\$51,108,049	\$16,887,723	\$6,001,148	1.9%
2012-2013	\$52,034,797	\$17,621,862	\$6,438,752	1.2%
2013-2014	\$52,947,845	\$17,979,352	\$6,028,305	2.4%
2014-2015	\$55,929,737	\$19,505,000	\$6,433,796	2.9%
2015-2016	\$57,136,928	\$20,848,212	\$6,222,584	0%
2016-2017	\$59,553,150	\$23,128,334	\$7,163,241	0%
2017-2018	\$62,021,819	\$24,691,399	\$7,889,012	0%
10-year change	+23%	+35%	+130%	
10-year inflation	15%			