

# POTTSTOWN CITIZENS FOR Enlightened LEADERSHIP

## School funding reform (part 1)

In what seems to be a ritual with each state legislative session, there has been a flurry of bills to eliminate the local school property tax, either for residences alone or for all property owners. Gov. Wolf has said he's open to any legislation that would move more of the school funding burden from local school districts to the state.



Commentary by  
Tom Hylton

A recently passed amendment to the state constitution makes it possible to abolish the tax for homesteads but keep it for commercial, industrial and rental residential properties.

In either case, the lost revenue would be replaced by a combination of increased income and sales taxes, to be collected and distributed on a statewide basis.

In Pottstown, where two-thirds of property tax revenues are collected by the school district, elimination of the local school tax would be a major boost to revitalization. Pottstown ranks 6th in taxation among the state's 500 school districts,

How likely would such legislation pass?

I recently came across an article I wrote for The Mercury on March 27, 1974: "**Senator Hopeful for Early Passage of School Tax Bill.**"

When State Sen. John Stauffer introduced his new school tax bill in Harrisburg six months ago, he figured it would take four years to pass the General Assembly.

After all, the bill calls for the most sweeping change in school financing in Pennsylvania history.

But Stauffer said he's been amazed by the enthusiastic reception the bill has earned from educators, legisla-

tors, and taxpayers.

"Groups have called me from all over the state to come to their meetings and explain my bill," he said. "I now feel the bill has a realistic chance of passage by 1975."

The bill has two main features:

First, it would eliminate the local school real estate tax gradually over a period of 10 years. The tax would be replaced by increases in the personal income tax, the Pennsylvania stock and franchise tax, and the creation of a new tax on unincorporated businesses.

Second, it would increase the state's share of funding from an average of 50 percent to an average of 80 percent over a 10-year period.

"I think school districts have reached the limit in real estate taxes and many educators agree with me," Stauffer said. "People simply can't bear any greater burden in real estate taxes than they have now."

Stauffer served in the Senate for 18 years, retiring in 1988 as Senate Republican leader. He is now in his 90s.

Not only did his bill not pass, the state's share of education funding has dropped from 50 percent to 35 percent, one of the lowest shares in the nation.

A few states have dramatically increased their share of school funding, such as Vermont, which boosted funding as a result of a court order in 1997.

That's probably the only way it will happen in Pennsylvania. A lawsuit challenging the state's school funding system is pending before Commonwealth Court.

State share of public school funding		
1	Vermont	89%
2	Hawaii	86%
3	Minnesota	68%
4	New Mexico	68%
5	Idaho	67%
6	Michigan	66%
7	Kansas	65%
8	Washington	64%
9	Alaska	60%
10	Delaware	56%
46	Pennsylvania	35%



**BACK IN 1974, then-State Sen. John Stauffer of Phoenixville was confident the school property tax would be eliminated by 1975. So far, he's been off by more than 40 years.**