

POTTSTOWN CITIZENS FOR Responsible GOVERNMENT

School District seeks to avoid referendum

The Pottstown School Board will vote tonight on a preliminary \$53 million budget that could increase real estate taxes more than 8 percent in the 2009-2010 school year.

The proposed tax increase exceeds the state inflation index of 5.7 percent. Normally, raising taxes beyond the index would require a public referendum. However, by adopting a preliminary budget that is above the index, prior to Feb. 18, the district will be able to seek an exception later this year from the state Department of Education to avoid a referendum.

Even with the proposed tax increase, the preliminary budget contains some rosy assumptions. This year, the District is receiving \$17.8 million in state funding. The proposed budget assumes the district will receive \$19.4 million in state funding in 2009-2010, an 8 percent increase.

Yet the state already faces a \$1.9 billion deficit in its current budget, and significant cuts in spending will be needed to balance the new state budget. Visiting Pottstown last November, Gov. Rendell said local educators should expect cuts in state funding in 2009. "With the economy the way it is, they just won't do as well next year, and there's no

other way to put it, that's just the way it is," Rendell told The Mercury.

In its new budget, Pottstown Borough eliminated 13 full-time positions and three part-time positions. The School District, on the other hand, is adding five more staff members in 2009. Last year, it added 14 new staff members at a cost of nearly \$750,000.

The School District plans to borrow up to \$38 million for elementary school projects in the near future. It is already paying about \$3.3 million annually in debt service, largely to pay off additions to the high school and middle school.

Because the state teacher pension fund does not have enough money to meet its long-term obligations, the School District may have to quadruple its contribution to the fund in 2012, to nearly \$7 million annually.

Recently, Pottstown Council entered a state program to get its finances in order and achieve long-term financial stability. With the 15th highest "tax effort" in Pennsylvania, the School District should make a similar effort.

Thomas Hylton, a 36-year resident of Pottstown, is treasurer and Web site editor of Pottstown Citizens for Responsible Government.



Commentary by
Tom Hylton

Summary

- Pottstown School District has the 15th highest "local tax effort" of 501 districts in Pennsylvania.
- While Pottstown Borough is eliminating positions, the School District is adding them.
- The District now seeks to pass a tentative budget that calls for exceeding the state inflation index for 2009.

2009 Pottstown Real Estate Taxes

Montgomery County 2.69 mills

