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JULY 17, 2009

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School Districts Increasing Class Sizes and Cutting Personnel to Make Ends Meet

New PASBO/PASA Survey Shows Grim Measures being taken due to State Budget Cuts

(HARRISBURG), July 17, 2009 – As the budget debate continues in Harrisburg, a new survey by the PA Association of School Administrators (PASA) and the PA Association of School Business Officials (PASBO) of more than half the public school districts in Pennsylvania shows the cost-cutting measures being taken to account for reduced state basic education spending. The survey of superintendents and business managers shows that two-thirds of respondents needed to use reserve funds to balance their budgets, 54 percent indicated their budgets included a property tax increase to account for reduced state spending, and a third said they increased class sizes to avoid hiring new teachers.

Eight in ten districts in the survey included state revenue increases as they prepared their 2009-10 budgets. But now these districts will be forced to revisit their budgets if flat funded by the state, diminish reserve funds and make cuts in programs, purchasing and personnel to account for the state funding decrease.

“Lower local revenues is both a sign of a poor economy and an indication of the belt tightening required for balancing budgets this year,” said Stinson Stroup, executive director of the PASA. “Schools have been forced into more spending reductions which increases the obligation of the state to meet its funding commitment for education.”

The House of Representatives is slated to vote on a budget today that provides some additional support for basic education but fails to fully fund the second year of the basic education funding formula. The Senate may vote on this revised budget as soon as Monday and they are expected to again cut state support for basic education and rely on federal funding stimulus funds to help support schools.

Increases in federal ESEA Title I and IDEA funding made available under the American Recovery & Reinvestment Act (ARRA) are important but do not take the place of increases in formula funding for basic education. Not every school district is eligible for ESEA Title I funds: 50 districts don't receive any Title I funding.

For many school districts, use of Title I money isn't allowed for every school building. The U.S. Department of Education has made it quite clear that districts cannot use increased Title I funds to pay for past expenditures in order to free up funds for others uses. That would constitute supplantation. Funds from IDEA can only be used for special education.

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PASBO & PASA urge legislators to fully fund the second year of the basic education funding formula so school districts do not have to rely on cost-cutting measures such as reducing the teacher workforce and forgoing needed maintenance. The only other options are to deplete reserves if they have them or raise property taxes.

“Clearly school district fiscal capacity is being stretched across the state,” according to Jay Himes, executive director of PASBO. “We are suffering the same consequences as the state in terms of revenue declines. With local revenues down, we face a double whammy if state revenues are flat funded. The result will be significant property tax increases next year—certainly higher than this year.”

In addition to the use of reserve funds, districts in the survey indicated a number of cost reduction tactics schools have taken:

- 61% of respondents said they will not fill vacated positions;
- 50% deferred purchases on supplies;
- 40% deferred planned maintenance;
- 23% noted they cut personnel.

Survey respondents noted more drastic action will be necessary with a state education funding freeze. School districts noted they will postpone curriculum development, implement lab fees, reduce extra-curricular programs, eliminate alternative education programs, defer text book purchases, close buildings and eliminate fund balances.

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The Pennsylvania Association of School Administrators is a community of education leaders committed to achieving quality public education for all learners through strategic advocacy of pertinent positions, forward thinking professional development and vigorous support of its members. The core purpose of the PA Association of School Business Officials is to develop educational leaders in school operations. Its members support classroom learning and student achievement by providing non-instructional administrative services in all facets of school business management.

More information may be obtained by contacting the PA Association of School Administrators, 2608 Market Place, Harrisburg, PA 17110 www.pasa-net.org or the PA Association of School Business Officials, 2608 Market Place, Harrisburg, PA 17110, www.pasbo.org