



## Pennsylvania Association of School Business Officials

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TO: Members of the House of Representatives

FROM: Hannah Barrick, Director of Advocacy

SUBJECT: **House Bill 1189**

DATE: September 30, 2013

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The Pennsylvania Association of School Business Officials (PASBO) acknowledges the importance of the discussion of property tax reform. The mechanism for funding public education in Pennsylvania is broken, and serious discussion about how school districts will obtain the funding they need to provide their students with a quality education is critical.

**PASBO believes House Bill 1189 will provide school districts with the option to diversify and expand the current tax base.** The flexibility in House Bill 1189 allows each school district to consider the specific needs and make up of its community when examining how to proceed with property tax reform. We support additional options at the local level to reduce the property tax burden. PASBO continues to believe that it is critical that state basic education funding be a part of the property tax reform conversation, as over time more and more burden of funding public education has shifted from the state to local property tax payers.

**PASBO strongly opposes amendments #A03448 (Rep. Caltagirone) and #A03458 (Rep. Cox) to HB 1189.** These amendments mandate the elimination of school property taxes by shifting the entirety of the current property tax burden to individual taxpayers in the form of increased personal income and sales and use taxes. These proposals will have a serious detrimental impact on school districts across the Commonwealth by shifting school taxes from businesses to individuals. In addition, based on the failure of other state funding programs like PlanCon for school construction, we have no confidence the state will meet its obligation to fund the rising costs of mandated expenditures such as special education or employee pension costs. These property tax elimination amendments represent fiscally irresponsible and reckless school finance policy, and we urge you to oppose them.

Thank you for your consideration of this important issue.