



August 25, 2015

Members of the Pennsylvania House of Representatives

Dear Representative,

Students and educators are returning to the classroom and despite weeks of negotiations, the budget is almost two months late — a major cause of concern for school districts who must figure out how to cover operational costs before knowing what funding they will receive.

As the budget impasse continues, school districts' expenses continue to rise for pensions, healthcare and utilities — all costs that are out of their control. Total employer pension contributions for 2015-16 equal 25.84%, marking the fifth year of planned increases under Act 120 of 2010. And those numbers are slated to climb to a rate of 32.2% by 2019-20.

Our school districts work hard to be fiscally responsible and save for projected and unexpected needs. But expenses have started to mount as the school year begins. With increasing costs threatening already fragile budgets, more schools will need to consider taking out loans to make payroll and keep doors open, adding interest accrual to those overall expenses.

With the fiscal stress increasing for school districts with no state budget in place, short-term relief in the form of Title 1, Title 2, Pupil Transportation, School Food Services, as well as Safe Schools will provide needed funding in a few key areas to assist schools as the current school year begins. These funds would help prevent many districts from having to incur additional, unanticipated expenses as work continues on finding a state budget agreement. We still seek a Basic Education Funding agreement and will be pushing all sides to come to the table and develop a solution that works for Pennsylvania Schools. The longer the negotiations go on, the more likely it is our students will feel the pinch should resources not be forthcoming.

The Pennsylvania School Boards Association (PSBA) is a nonprofit statewide association representing the 4,500 elected officials who govern the commonwealth's public school districts. PSBA is a membership-driven organization, pledged to the highest ideals of local lay leadership for public schools and working to support reform for the betterment of public education that prepares students to be productive citizens, and promote the achievements of public schools, students, and local school boards.

Thank you for your attention to this important issue.

A handwritten signature in black ink, which appears to read 'John M. Callahan', is located below the text. The signature is written in a cursive style with a long, sweeping underline.

John M. Callahan  
Senior Director of Government Affairs