



Twin Valley School District
4851 N. TWIN VALLEY RD., ELVERSON, PA 19520
Phone 610-286-8600 | Fax 610-286-8608

ADVOCACY COMMITTEE FACT SHEET

Cyber/Charter Schools

- Under the charter school law, tuition payments are calculated based on the budgeted expenditures of the student's school district of residence, rather than the charter school's cost to educate a student.
- Tuition is not free. It is paid by tax dollars being sent from school districts to charter/cyber charter schools.
- Charter and cyber charter schools must accept students from all 500 school districts and, because of disparities in the per-pupil funding formula; they may receive up to 500 different basic education tuition rates and 500 different special education tuition rates.
- In 2016-17, PA charter/cyber charters are receiving, on average, \$10,943 per regular education student and \$23,865 per special education student from Berks County school districts.
- Berks County school districts can provide in-house cyber education at a cost that is at least 20% to 30% less than what they are paying outside cyber charter schools.



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Resolution 1 of 2017

- PA State Constitutional Amendment appearing on the ballot this November
- Passed through the General Assembly as House Bill 1285
- Allows Local Taxing Authorities to exclude up to the full assessed value of all homestead or farmsteads from Property Taxes
- Current law allows up to 50% to be excluded
- No School District is close to the 50%
- If approved by voters in November, Joint Resolution 1 will Amend Article VIII, Section 2(b)(vi) of the Pennsylvania Constitution
- There is NO immediate impact on Tax Payers or School Districts. Future legislation would need to be passed to enable taxing bodies to increase the amount of current homestead exemption.



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Property Tax Reform

- There continues to be significant interest in property tax reform within the Commonwealth
- Important Facts about Property Tax Elimination

Proposed legislation would NOT eliminate Property Taxes! Districts would still collect property tax to payoff debt.

Tax Shift from business to individuals

Windfall to the Feds

Increased Sales Tax from 6% to 7%

Newly Taxed goods and services

PIT would increase 60%

- Property Tax elimination would negatively impact School Districts and its ability to provide the best education for all students.

Local control would be greatly diminished

Cash Flow problems for schools

Where does the money come from during economic downturns?

How would schools handle non-funded mandates such as PSERS, charter school and special education?

- Property Tax Elimination is a tax shift
- Property Tax Elimination raises more questions than it answers



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Pension

- Annual school pension costs continue to increase significantly as a result of increasing pension liabilities and historical pension underfunding
- While pension reform was considered again in 2016-17, no progress was made.
- Senate and House have different proposals

Senate proposed plan: side-by-side hybrid pension plan for new employees. Creates a defined benefit and defined contribution plan for each employee. Contribution rates to plans are static.

House proposed plan: stacked hybrid pension plan for new employees. Creates a defined benefit and defined contribution plan for each employee. Contribution levels to each plan depend on employee salary.

- Both plans create no immediate savings. They lay the groundwork for future full funding of plan.