

## Education Center

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July 1, 2014

Dear BASD Community:

The 2014-2015 Bethlehem Area School District (BASD) budget balances educational needs with financial/economic realities. The most significant and pressing financial challenges to the district are costs mandated by state law.

You should know that BASD is required by the Commonwealth of Pennsylvania to pay the tuition for local students whose parents choose to send them to charter schools. Charter schools are non-profit organizations run by unelected boards of directors yet financed by your local property taxes. The bottom line is that charter school tuition costs now create the greatest upward pressure on local property taxes.

Without the state mandate to pay charter school tuition, there would be NO increase in BASD property taxes this year. This is the cost of school choice.

Charter school tuition alone equals \$20.3 million or 10.2% of your tax bill.

State mandated pension costs create the second largest upward pressure on school district spending. Public school districts are required by law to participate in and fund the PA School Employee Retirement System (PSERS) at 21.4% of payroll for the 2014-15 fiscal year.

Pension costs equal \$10.2 million or 5.1% of your tax bill.

Excluding these state mandated pension and charter tuition costs, the BASD budget increased by *one quarter of one percent* (0.25%) in operating expenditures.

Ultimately, policy level issues such as the charter school funding formula and pension cost increases must be addressed in Harrisburg by the Governor and State General Assembly. Until then, local school districts are forced to cut programs and raise taxes to maintain responsible public educational programs for the majority of our public students.

Sincerely,



Michael Faccinnetto  
President  
BASD Board of School Directors  
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