



# First Baptist Church: Real Estate Taxes

2/28/2021



# Real Estate Tax Rates

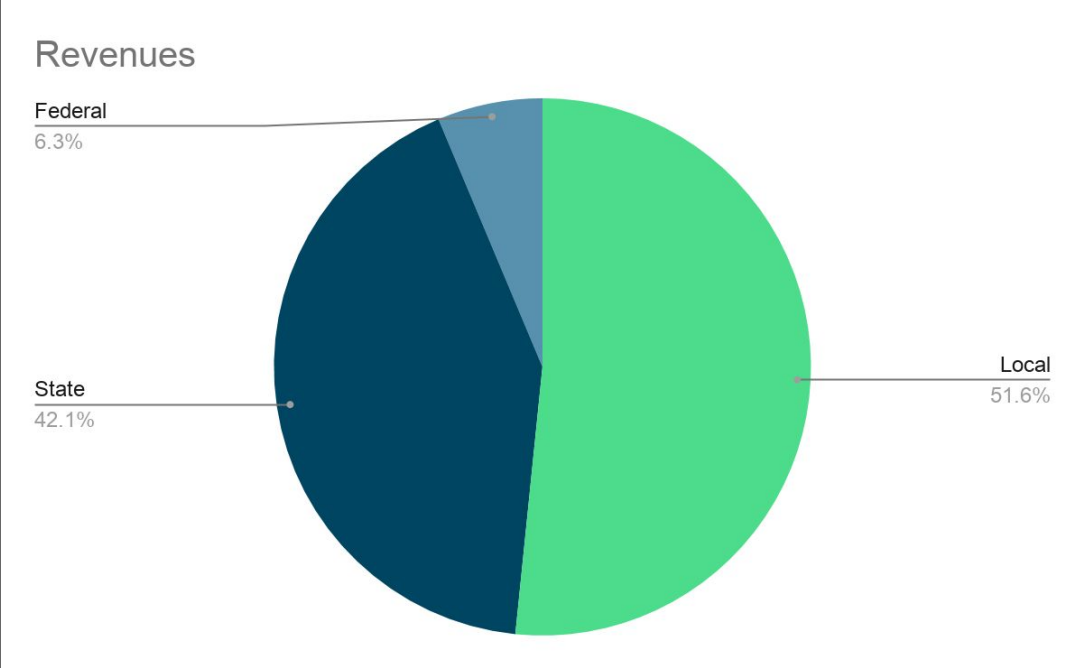
1. **What do your school taxes pay for?**
2. **How does PSD compare to others?**
3. **Act 1 index- the blessing that became the curse**
4. **Local Pressure: Real Estate taxes higher in PSD**
5. **Real Estate Tax Elimination- or more like “tax shift”**
6. **Cyber Schools- Taxpayer funded**
7. **Unfunded Mandates- Legislature runs up the bill, local school boards forced to pay: Special Ed; Homeless; transportation, other**
8. **Taxes that go to “Failing Schools”**
9. **Tax Reduction Efforts**
10. **Q&A**



# 1. What do your school taxes pay for?

- a. Facilities
- b. Personnel
- c. Programming (Curriculum, Books)
- d. Services
- e. Supplies and Equipment
- f. Transportation
- g. **OUTSIDE COSTS**

# Revenues



Local \$33,762,741  
State \$27,511,731  
Federal \$4,139,142

# Expenditures

Salaries \$24,941,885  
Benefits \$16,2498,644  
Purchased Services \$4,677,939  
Transp. & Tuition \$9,999,996  
Supplies & Equipment \$2,885,951  
Contingency & Debt \$6,658,226

## 2. Pottstown School Taxes in Comparison

\*\* Property with assessed value \$79,500 (average in Pottstown)

CHELTENHAM	\$3,938	SOUDERTON	\$2,410
JENKINTOWN	\$3,443	LOWER MERION	\$2,399
<b>POTTSTOWN</b>	<b>\$3,336</b>	HATBORO-HORSHAM	\$2,388
NORRISTOWN	\$3,117	SPRING-FORD	\$2,241
POTTSGROVE	\$3,029	NORTH PENN	\$2,129
LOWER MORELAND	\$2,919	UPPER PERKIOMEN	\$2,006
UPPER DUBLIN	\$2,803	COLONIAL	\$1,857
PERKIOMEN VALLEY	\$2,744	WISSAHICKON	\$1,679
SPRINGFIELD	\$2,741	UPPER MERION	\$1,650
ABINGTON	\$2,591	<i>Boyertown</i>	\$2,242
UPPER MORELAND	\$2,590	<i>Owen J Roberts</i>	\$2,606
METHACTON	\$2,453	<i>Daniel Boone</i>	\$2,511



## Real Estate Tax Rates

### Comparison to other urban districts:

PSD: Top ten underfunded in PA, since formula was released.

Student needs greater, infrastructure of supports more fragile



# Real Estate Taxes

## 3. Act 1 index:

The maximum tax increases for each tax the school district levies (without PDE exception or voter approval).

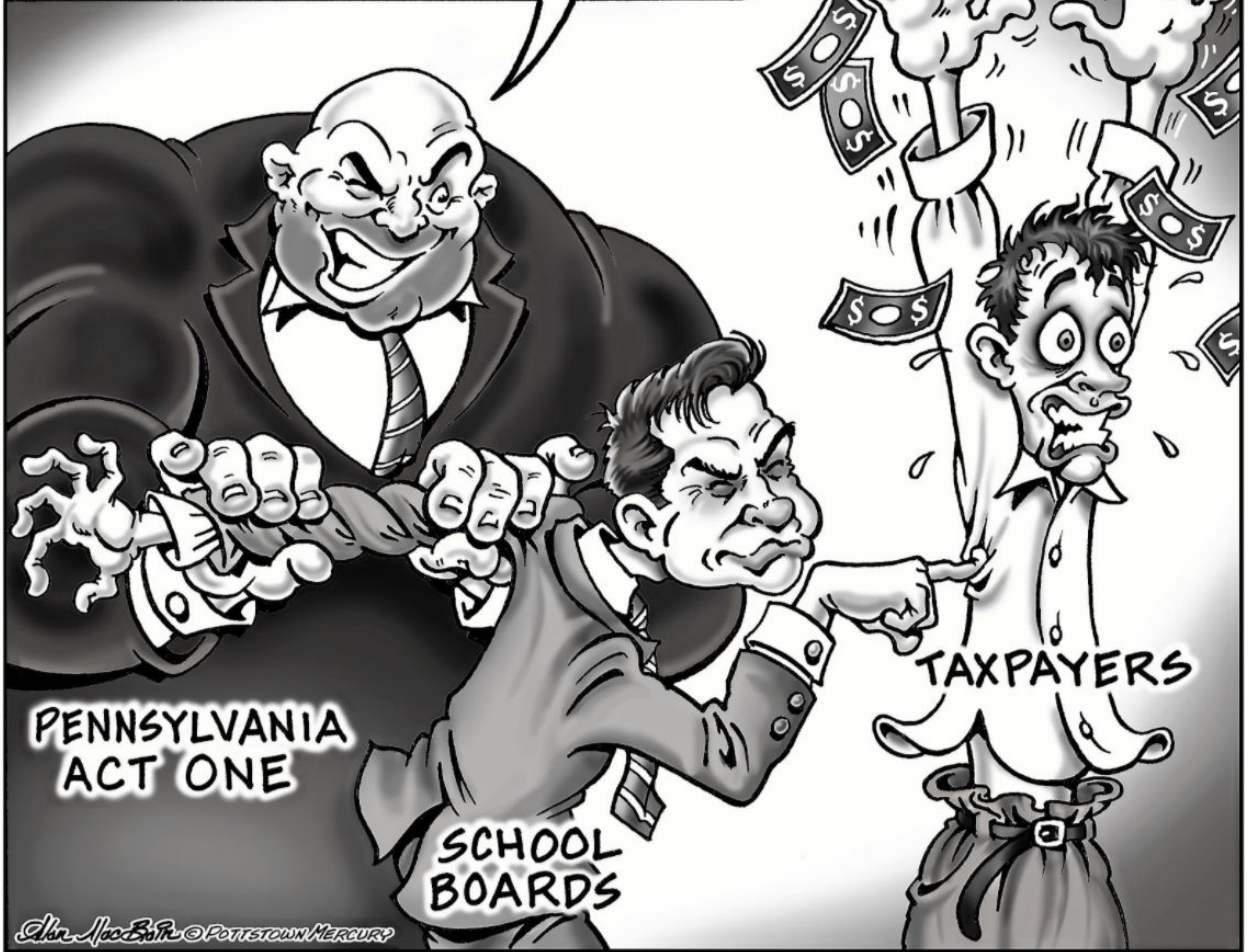
The base index is calculated by averaging the percent increases in the Pennsylvania statewide average weekly wage and the Federal employment cost index for elementary/secondary schools.

Additionally, for school districts with a market value/personal income aid ratio (MV/PI AR) greater than 0.4000, the value of their index is adjusted upward by multiplying the base index by the sum of 0.75 and their MV/PI AR. For example, if the base index is 2.4% and the school district's MV/PI AR is 0.6000, the school district's adjusted index is  $2.4\% \times (0.75 + 0.6000) = 3.2\%$ .

Bottom Line: This encourages regular increases.



IF YOU DON'T RAISE TAXES  
I'LL LOWER YOUR INDEX!



PENNSYLVANIA  
ACT ONE

SCHOOL  
BOARDS

TAXPAYERS

IF YOU DON'T RAISE TAXES  
I'LL LOWER YOUR INDEX!

Unless you are an Urban,  
underfunded school, then  
you can raise taxes higher  
than everyone else to make  
up the difference....

PENNSYLVANIA  
ACT ONE

SCHOOL  
BOARDS

TAXPAYERS



## Real Estate Tax Rates: Act 1 Index

Districts can take “exceptions”

Out of the last 7 years: PSD raised taxes 2x (at or below index)

## 4. LOCAL PRESSURE

### TOWER HEALTH:

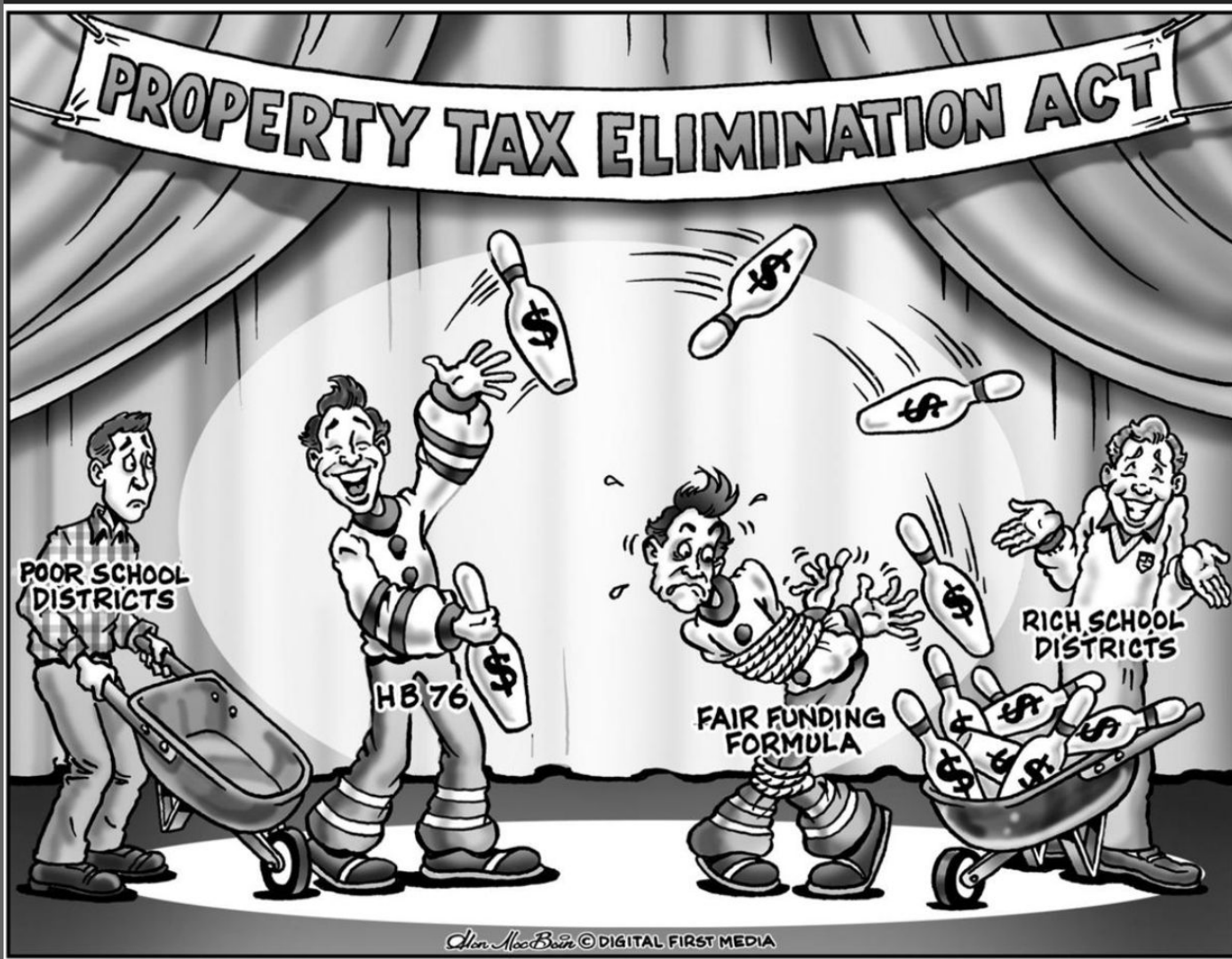
Loss of Just under \$1M  
per year in Tax revenue

Hill School: \$2M

MCCC, Non Profits,  
churches, delinquent, it all  
adds up



4.



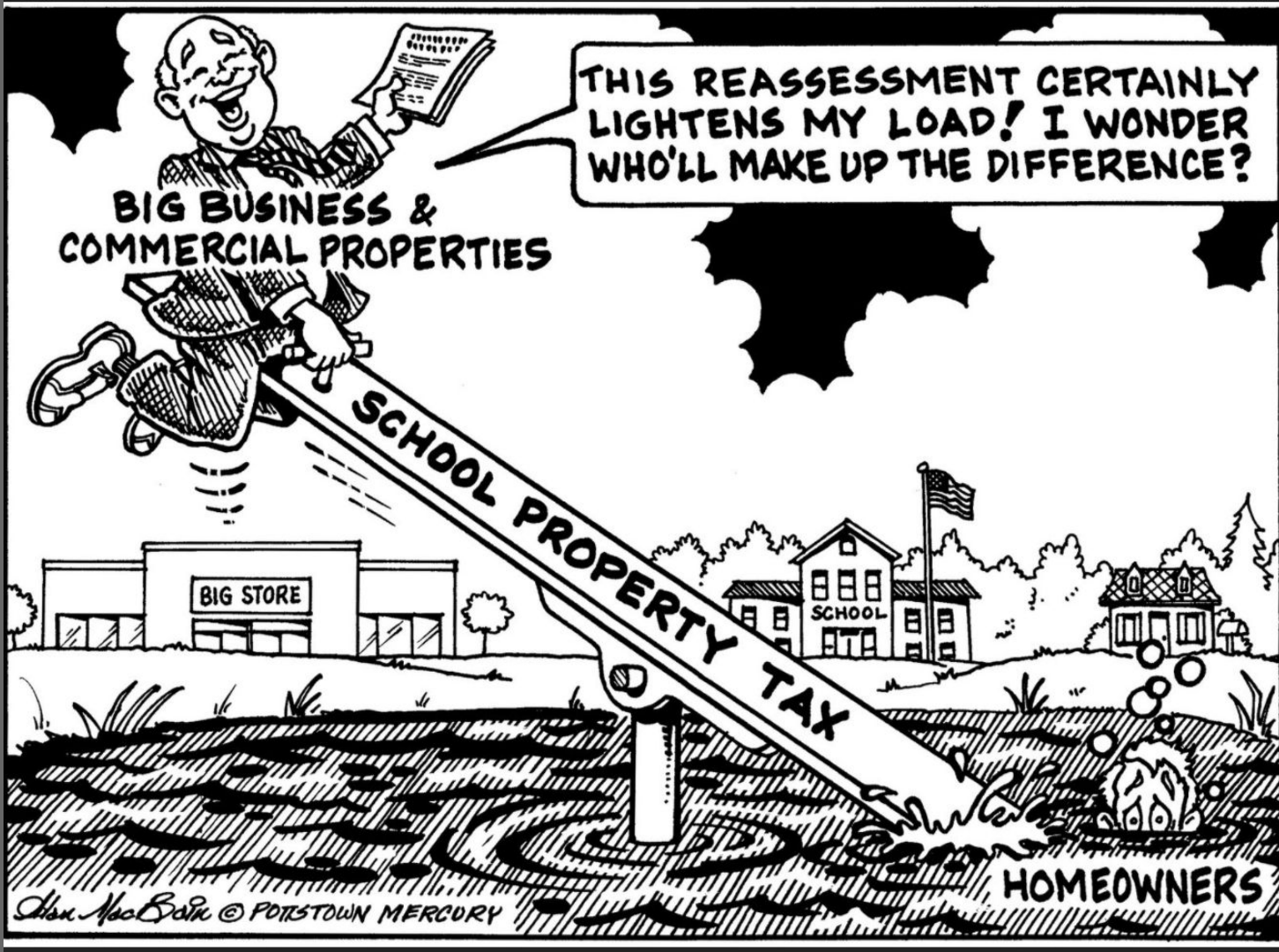


**BIG BUSINESS &  
COMMERCIAL PROPERTIES**

**THIS REASSESSMENT CERTAINLY  
LIGHTENS MY LOAD! I WONDER  
WHO'LL MAKE UP THE DIFFERENCE?**

**SCHOOL PROPERTY TAX**

**HOMEOWNERS**



Districts would get the same amount of revenue as their last previous budget: **HOLD HARMLESS/KEEP HARMING** in a different form.

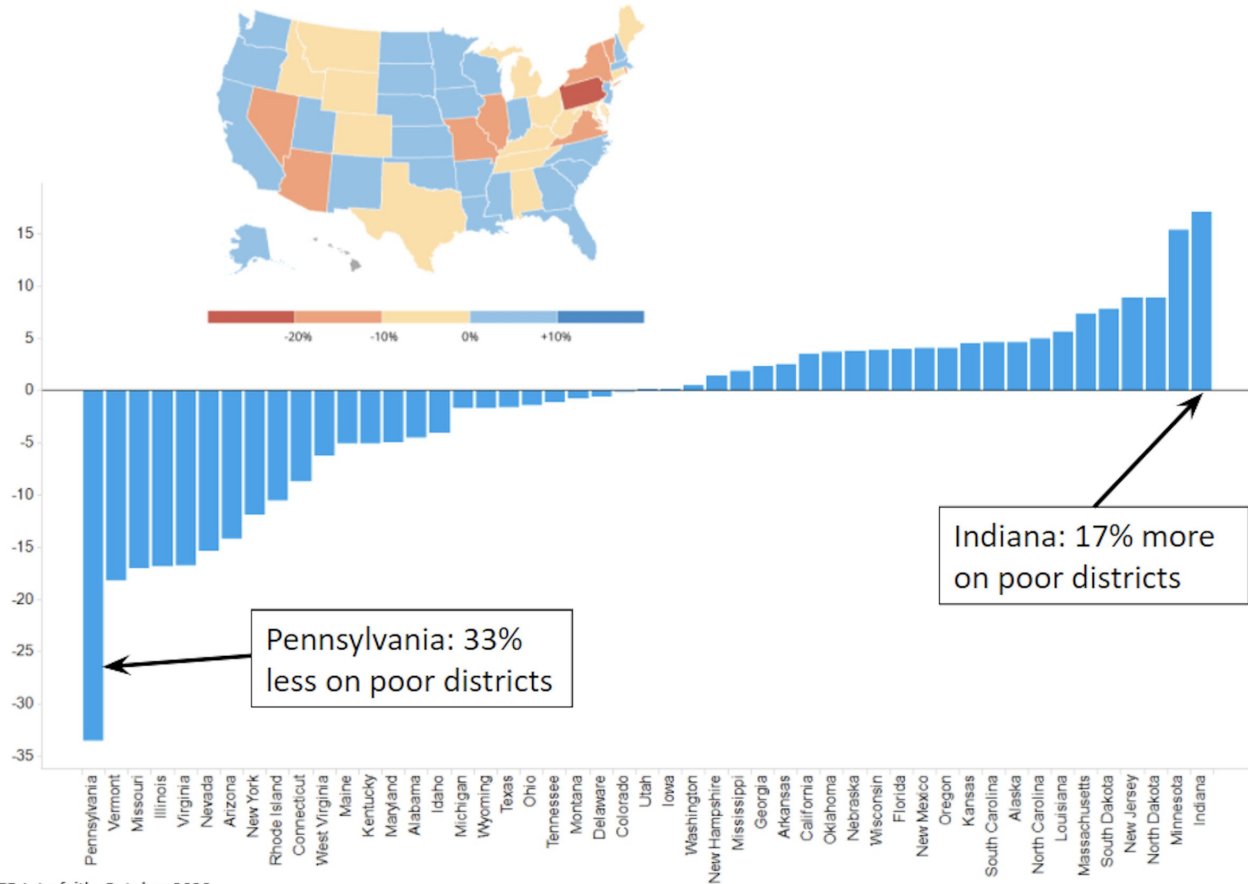
This concept would be a huge tax increase to private citizens, since all corporately owned real estate would no longer pay real estate taxes to the local community

This might eventually pave the way for the “homogenization” of all districts (which might benefit PSD in the distant future, but be generally unpopular IE: Local Control)

The only thing communities would pay: “Debt”



# % Difference in Per Pupil State and Local Funding between High- and Low-Poverty Districts (2015)



Pennsylvania: 33% less on poor districts

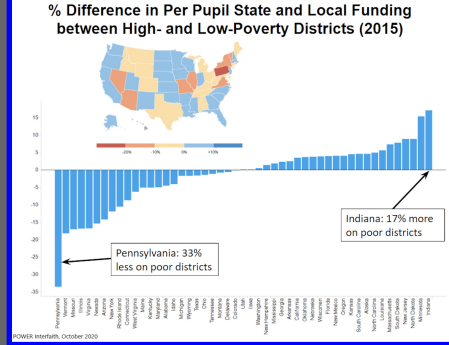
Indiana: 17% more on poor districts



*State Legislation, and the “tax push” to the local level has slowly pushed the burden of education to communities, and those who can afford it the least, carry the biggest burden.*

If Real Estate Taxes are eliminated, PA might legally be more accountable for “equal protection under the law” since they could not blame inequitable funding on local boards.

However, the tax increase would be far more expensive for private citizens, regardless of locale, and the change might take just as long for the students of Pottstown.



MONEY FOR SCHOOL FUNDING?  
IT'S AS SIMPLE AS BLACK AND WHITE.



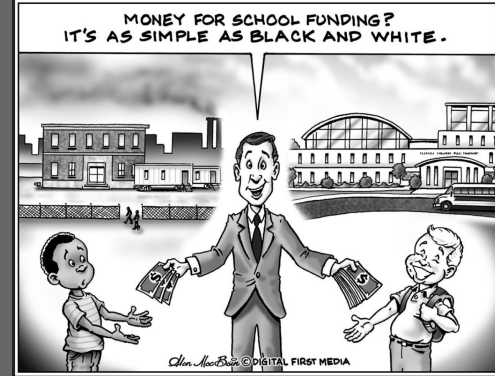
MONEY FOR SCHOOL FUNDING?  
IT'S AS SIMPLE AS BLACK AND WHITE.

And Real Estate Tax  
elimination would not  
stop this injustice, it  
might make it worse.



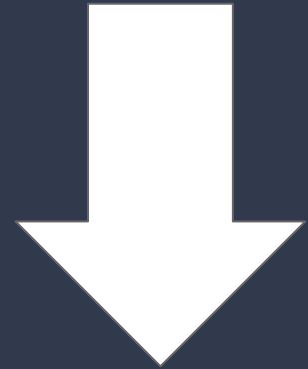
Fair Funding Formula is a national concept to deal with the unique differences in communities.

But in PA- The local taxpayers of the least able communities are required to make up the difference.



# 6. Cyber Schools- Taxpayer Funded

Charter School Financial Data Updated 8.31.20



Maureen K. Jampo  
Business Administrator

# Top Cost Special Education Students

\$108,421 Average per student

	<u>Tuition</u>	<u>ESY</u>	<u>Transportation</u>	<u>In District</u>	
Student A	\$ 124,135.00				\$ 124,135.00
Student B	\$ 119,971.00		\$ 6,300.00	yes	\$ 126,271.00
Student C	\$ 84,910.00				\$ 84,910.00
Student D	\$ 65,931.00		\$ 45,890.00		\$ 111,821.00
Student E	\$ 101,701.00		\$ 5,840.00	yes	\$ 107,541.00
Student F	\$ 67,971.00				\$ 67,971.00
Student G	\$ 79,207.00				\$ 79,207.00
Student H	\$ 200,000.00				\$ 200,000.00
Student I	\$ 117,500.00				\$ 117,500.00
Student J	\$ 114,000.00				\$ 114,000.00
Student K	\$ 53,820.00	\$ 7,774.00	\$ 24,516.00		\$ 86,110.00
Student L	\$ 53,820.00	\$ 14,651.00	\$ 24,516.00		\$ 92,987.00
Student M	\$ 53,820.00	\$ 14,651.00	\$ 24,516.00		\$ 92,987.00
Student N	\$ 53,820.00	\$ 7,774.00	\$ 24,516.00		\$ 86,110.00
Student O	\$ 53,820.00		\$ 84,000.00		\$ 137,820.00
Student P	\$ 68,400.00	\$ 18,620.00	\$ 24,516.00		\$ 111,536.00
Student Q	\$ 68,400.00	\$ 18,620.00	\$ 24,516.00		\$ 111,536.00
Student R	\$ 68,400.00	\$ 18,620.00	\$ 24,516.00		\$ 111,536.00
Student S	\$ 68,400.00	\$ 18,620.00	\$ 24,516.00		\$ 111,536.00
Student T	\$ 68,400.00		\$ 24,516.00		\$ 92,916.00
					<b>\$ 2,168,430.00</b>

# Special Education Legal Fees

\*not including settlement  
costs

<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020 YTD</u>	Grand Total
\$ 98,088.71	\$ 109,551.06	\$ 85,713.27	\$ 22,619.46	\$ 315,972.50
			\$ 16,000.00	\$ 16,000.00
			\$ 41,000.00	\$ 41,000.00
			\$ 14,500.00	\$ 14,500.00
\$ 4,000.00				\$ 4,000.00
	\$ 17,155.00	\$ 405.00		\$ 17,560.00
	\$ 4,450.00			\$ 4,450.00
		\$ 4,000.00		\$ 4,000.00
<b>\$102,088.71</b>	<b>\$131,156.06</b>	<b>\$90,118.27</b>	<b>\$ 94,119.46</b>	<b>\$417,482.50</b>

# Charter Tuition Rates

\*Cyber & Brick and Mortar

	2016-2017	2017-2018	2018-2019
Regular Education	\$ 9,732.97	\$12,571.42	\$ 11,066.30
Special Education	\$ 27,895.34	\$ 27,399.52	\$ 33,100.86



# Annual Charter Tuition Spend

## Regular Education

	2016-2017	2017-2018	2018-2019
0051 AGORA CYBER CHAR	\$ 345,700.19	\$ 345,937.70	\$ 322,877.55
11371 PA. VIRTUAL CHAR	\$ 88,334.87	\$ 241,303.43	\$ 203,165.22
11592 COMMONWEALTH CHA	\$ 241,216.35	\$ 221,575.40	\$ 263,516.74
11606 PA CYBER CHARTER	\$ 59,357.94	\$ 79,021.84	\$ 118,155.99
11624 PA LEADERSHIP CH	\$ 72,642.25	\$ 96,633.03	\$ 90,810.82
11625 PA DISTANCE LEAR	\$ 41,670.87	\$ 57,920.44	\$ 46,785.16
14073 DR. R. KETTERER	\$ 10,037.83	\$ -	
14407 SUSQ-CYBER CHART			\$ 2,578.45
51103 ASPIRA BILING CY	\$ 4,868.92	\$ 9,758.06	
51482 REACH CYBER CHAR	\$ 11,921.27	\$ 125,516.21	\$ 196,597.64
51906 INSIGHT PA CYBER		\$ 66,128.48	\$ 75,230.63
<b>6611 COLLEGIUM CHARTE</b>	<b>\$ 12,530.12</b>	<b>\$ 32,059.07</b>	<b>\$ 27,057.10</b>
7451 21ST CENTURY CYB	\$ 14,187.26	\$ 32,468.80	\$ 53,472.89
7888 ACHIEVEMENT HOUS	\$ 7,266.34	\$ 465.32	\$ 16,046.37
<b>9043 RENAISSANCE ACAD</b>	<b>\$ 247,675.65</b>	<b>\$ 317,411.11</b>	<b>\$ 434,862.81</b>
	<b>\$ 1,157,409.86</b>	<b>\$ 1,537,107.47</b>	<b>\$ 1,855,580.70</b>
0051 AGORA CYBER CHAR	\$ 349,359.00	\$ 461,213.80	\$ 294,528.96
11371 PA. VIRTUAL CHAR	\$ 34,552.56	\$ 52,214.99	\$ 54,325.51
11592 COMMONWEALTH CHA	\$ 148,958.86	\$ 188,260.67	\$ 191,408.86
11606 PA CYBER CHARTER	\$ 134,213.25	\$ 116,945.95	\$ 73,415.54
11624 PA LEADERSHIP CH	\$ 134,761.05	\$ 129,789.85	\$ 224,179.16
11625 PA DISTANCE LEAR	\$ 40,173.54	\$ 55,148.36	\$ 68,205.61
14073 DR. R. KETTERER	\$ -		
51482 REACH CYBER CHAR		\$ 29,345.71	\$ 164,793.15
51906 INSIGHT PA CYBER		\$ 16,963.22	\$ 11,061.37
<b>6611 COLLEGIUM CHARTE</b>	<b>\$ -</b>		<b>\$ -</b>
7451 21ST CENTURY CYB	\$ -		\$ 38,466.28
7888 ACHIEVEMENT HOUS	\$ 43,826.57	\$ 69,425.17	\$ 28,891.34
<b>9043 RENAISSANCE ACAD</b>	<b>\$ 203,767.53</b>	<b>\$ 205,653.73</b>	<b>\$ 230,259.81</b>
	<b>\$ 1,089,612.36</b>	<b>\$ 1,239,952.93</b>	<b>\$ 1,382,772.86</b>
	<b>\$ 2,247,022.22</b>	<b>\$ 2,777,060.40</b>	<b>\$ 3,238,353.56</b>

## Special Education

# Charter Enrollment

	2017-2018	2018-2019	2019-2020	2020-2021
B&M Reg.	32	39	42	50
B&M Spl.	7	8	8	6
<b>Total B&amp;M</b>	<b>39</b>	<b>47</b>	<b>50</b>	<b>56</b>
Cyber Reg	121	110	100	91
Cyber Spl.	35	38	35	39
<b>Total Cyber</b>	<b>156</b>	<b>148</b>	<b>135</b>	<b>130</b>
<b><u>TOTAL</u></b>	<b><u>195</u></b>	<b><u>195</u></b>	<b><u>185</u></b>	<b><u>186</u></b>
<b><u>Annual Charter Spend</u></b>	<b><u>\$2,247,022</u></b>	<b><u>\$2,777,060</u></b>	<b><u>\$3,238,353</u></b>	
<b><u>Average Per Student</u></b>	<b><u>\$14,241</u></b>	<b><u>\$16,606</u></b>	Current Period	

# Special Education Funding

\*State Revenue-R7271 Increase as Compared to Annual Charter Expenditure Increases

## State Revenue Increase

<u>From PDE</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
<b>Annual Revenue</b>	\$2,178,878	\$2,232,204	\$2,394,064
<b>% Change</b>	3%	2.4%	7.2%

<b>Annual Charter</b>	\$2,247,022	\$2,777,060	\$3,238,353
<b>% Change</b>	19%	24%	17%

# PDE 363

Replacing the “average” special education students reported (16%) with actual Pottstown Special Education Membership would represent a +\$6,500 per special education student reported

FOR NONSPECIAL EDUCATION STUDENTS		
TOTAL EXPENDITURES	<u>\$64,302,812.00</u>	(a)
<i>Minus</i> TOTAL DEDUCTIONS (see page 2)	<u>\$25,747,189.00</u>	(b)
SELECTED EXPENDITURES (a - b)	<u>\$38,555,623.00</u>	(c)
AVERAGE DAILY MEMBERSHIP	<u>3,438.610</u>	(d)
<b>FUNDING FOR NONSPECIAL EDUCATION STUDENTS</b> (c / d)	<u>\$11,212.56</u>	(e)
(SELECTED EXPENDITURES PER AVERAGE DAILY MEMBERSHIP)		

FOR SPECIAL EDUCATION STUDENTS		
1200 SPECIAL EDUCATION EXPENDITURES	<u>\$12,580,191.00</u>	(f)
<i>Minus</i> SPECIAL EDUCATION DEDUCTIONS (see page 2)	<u>\$659,840.00</u>	(g)
SELECTED EXPENDITURES (f - g)	<u>\$11,920,351.00</u>	(h)
AVERAGE DAILY MEMBERSHIP <i>multiplied by</i> 0.16 (d x 0.16)	<u>550.178</u>	(i)
SPECIAL EDUCATION EXPENDITURES <i>divided by</i> 0.16 AVERAGE DAILY MEMBERSHIP (h / i)	<u>\$21,666.35</u>	(j)
<b>FUNDING FOR SPECIAL EDUCATION STUDENTS</b> (e + i)	<u>\$32,878.91</u>	(k)

PSD reported over 800 special education students from 2017-18 if this multiplier used the accurate 23% SPL Ed count for PSD it would result in a reduction of \$ 6,500 per student

3438* .23%	791 ACT 16 reported
	\$15,089.05 (j) ACTUAL
	\$26,301.61 (K) ACTUAL
	<u>\$6,577.30</u> reduction per student

Provide a copy of this form to each charter school in which residents of the school district are enrolled.



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,302,812.00 (a)

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Special Education  
17-18 if  
rate 23%  
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# Cyber /Charter Schools: It's not about school choice!

Unelected Boards, uncertified teachers (more than allowed!)

For profit “management” companies: *Profits!!!* (Literally running it like a business)

Incurs a fraction of the cost of education compared to brick & Mortar, Public Schools

Worse results (20 years of data)

Funding structure has nothing to do with “school choice” argument

Real Estate taxes foot the bill for all that advertising and “free” laptops

Every major education advocacy group have shared these facts with the legislature:

[https://www.psba.org/wp-content/uploads/2021/02/Charter\\_25.pdf](https://www.psba.org/wp-content/uploads/2021/02/Charter_25.pdf)




PUBLIC SCHOOLS



UNDER CONSTRUCTION  
ANOTHER GREAT  
**CHARTER SCHOOL!**



TORNOE  
ROBTORNOE  
.COM



How can  
this  
happen?

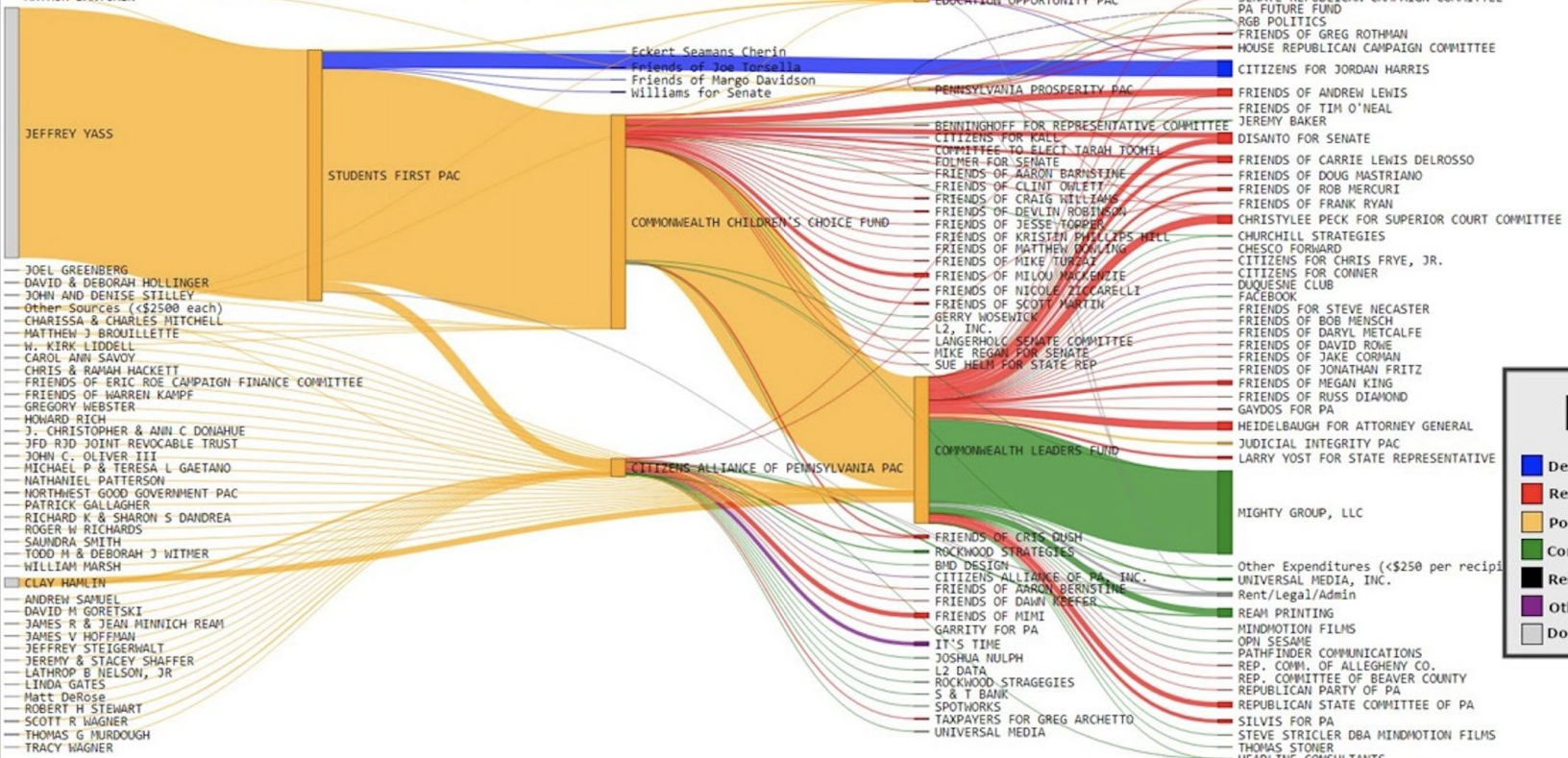
# Diagram of Donations and Expenditures to/from the Following PACs 1/1/19 thru 10/28/20:

Brian G McElwee  
 Donald Saleski  
 Gerald and Eleanor Parsons  
 H. Edward Hanway  
 Jeannie O'Neill and Michael G O'Neill  
 John J Donnelly and Kathryn A Donnelly  
 Lauralee V Howley and W Nicholas Howley  
 Michael F Young  
 Michael J and Joyce Hagan  
 Thomas Nerney and Christine Walker Nerney  
 William Kronenberg, III  
 OPERATORS FOR SKILL PAC  
 ARTHUR DANTCHIK

-Students First PAC  
 -Education Opportunity PAC

-Commonwealth Children's Choice Fund  
 -Citizens Alliance of Pennsylvania PAC

-Commonwealth Leaders Fund  
 -Pennsylvania Prosperity PAC



## SUMMARY

**Jeffrey Yass** donated \$9.42 million --> **Students First PAC** which donated \$8 million --> **Commonwealth Children's Choice Fund** which donated at least \$4.25 million --> **Commonwealth Leaders Fund**. The two Commonwealth PACs have donated millions to **Republican campaign committees** and spent millions on **consulting and advertising** in support of Republican candidates.

## Legend

- Democrat Campaign Committees
- Republican Campaign Committees
- Political Action Committees (PACs)
- Consulting / Advertising Expenses
- Rent / Legal / Admin Expenses
- Other Expenses
- Donors





...AND, AS LONG AS YOU DISCLOSE IT, YOU CAN TAKE ALL THE FREE GIFTS YOU CAN GET!

STATE ETHICS COMMISSION

PA LEGISLATURE





## 7. Unfunded Mandates

- -PSERS: The LEGISLATIVE MISTAKE we keep paying for...
- -Special Ed: Higher need, higher costs
- -Homeless; Foster, Affidavit, 504, ESL, transition, 339, homebound, mental health, security, truancy, Title IX, residency
- -Transportation, Professional Learning, accountability, reporting, Etc.
- - More Regulations than Air Traffic Controllers
- Example:

[https://drive.google.com/file/d/0B\\_lhYA-mLEZ7N01RWE9aZlR6NDFzQVBtZGJ1T0tOQ0N4Ym5J/view?usp=sharing](https://drive.google.com/file/d/0B_lhYA-mLEZ7N01RWE9aZlR6NDFzQVBtZGJ1T0tOQ0N4Ym5J/view?usp=sharing)

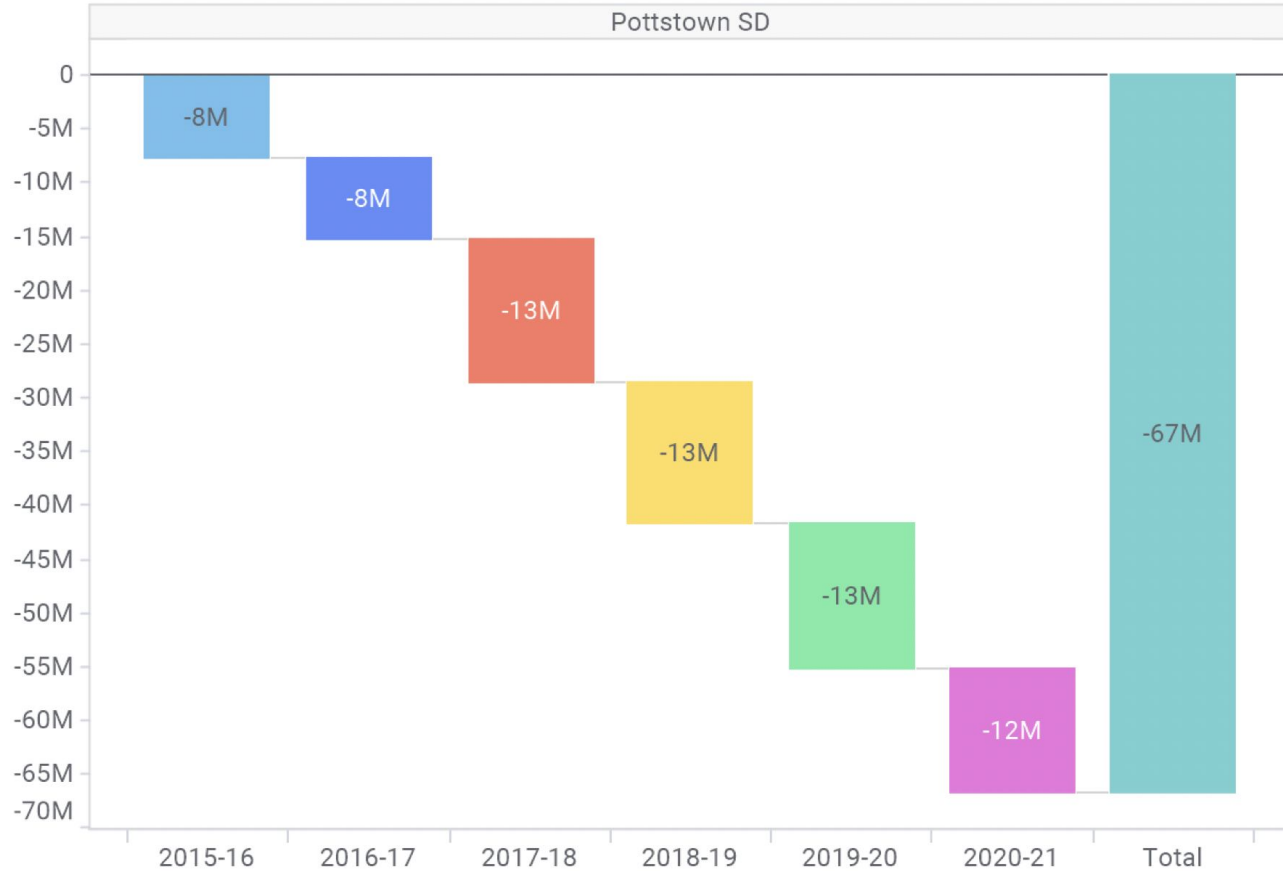


## 8. “Failing Schools”

“SPP scores are more accurate indicators of the percentage of economically disadvantaged students in a school than of the effectiveness of a school.”

*-Dr Ed Fuller and Penn State University*

# Pottstown Cumulative Shortchanged \$



# “Failing Schools”



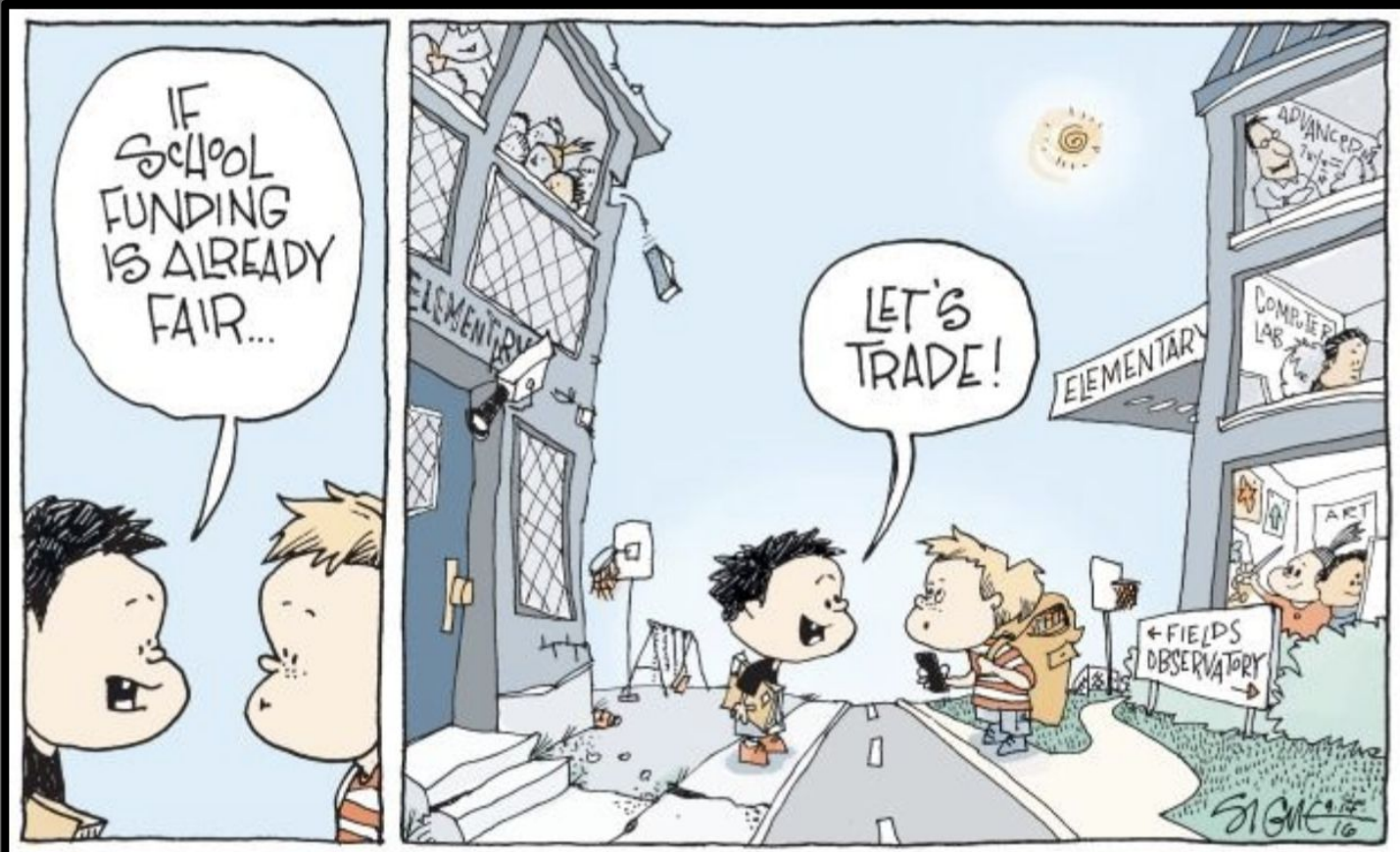




## 8. “Failing Schools”

- **Born out of a concept from political dogma (not research based), schools are compared by a specific standard (PSSA scores), regardless of support factors proven to be more aligned with fact and science: More Resources, More Support, better outcome.**
- **Instead, communities were pitted against one another in a “value” contest that was flawed from the start.**
- **ALL STUDENTS MATTER**
- **If the School is failing, the system is failing. An indictment of district outcome must be paired with “fair comparisons” or the indictment becomes reversed.**

# “Failing Schools”





# 9. Tax Reduction Efforts

- **PAID- Economic Development**
- **Cost Reduction Measures:**
  - Paper copies & machines
  - Supply contract upgrades
- **Grants:**
  - Pre-K, Mental Health, After School, CARES
  - Legislative grants: stadium lights, BSLS
- **Pottstown Foundation support**
- **Maximize reimbursements**



# Real Estate Tax Rates

**2015-2016: No increase**

**2016-2017: No increase**

**2017-2018: No increase**

**2018-2019: Increase to Index \*(Hospital bought by Tower Health) \*MILS: 40.62**

**2019-2020: Increase to Index \*MILS: 41.96**

**2020-2021: No increase**

**2021-2022: No increase (projected)**



First Baptist Church

# 10. Q&A

2/28/2021



First Baptist Church

End

2/28/2021



# Real Estate Tax Rates

**Romans 13:1 Let everyone be subject to the governing authorities, for there is no authority except that which God has established. The authorities that exist have been established by God.....**

**Romans 13:6 This is also why you pay taxes, for the authorities are God's servants, who give their full time to governing. 7 Give to everyone what you owe them: If you owe taxes, pay taxes; if revenue, then revenue; if respect, then respect; if honor, then honor.**



## Real Estate Tax Rates

**Amos 5: 10 There are those who hate the one who upholds justice in court and detest the one who tells the truth. 11 You levy a straw tax on the poor and impose a tax on their grain. Therefore, though you have built stone mansions, you will not live in them; though you have planted lush vineyards, you will not drink their wine. 12 For I know how many are your offenses and how great your sins. There are those who oppress the innocent and take bribes and deprive the poor of justice in the courts. 13 Therefore the prudent keep quiet in such times, for the times are evil. 14 Seek good, not evil, that you may live. Then the Lord God Almighty will be with you, just as you say he is. 15 Hate evil, love good; maintain justice in the courts.**