

**First Friday Noontime Forum Series**  
**“Continuing the Growth and Prosperity of Downtown Lancaster”**

**Highlights – May, 2011**

**The School Funding Crisis**  
**Michael J. Rowen, School District of Lancaster**

- The proposed 2011-12 State Budget cuts basic education funding to 2008-09 levels. District budgets are being greatly impacted and drastic program cuts are being made.
- Schools face increased expenses with no increase in revenues - major drivers are: salaries, medical insurance premiums, pensions and cost of meeting unfunded state mandates. Expenditures need to be re-set to more closely align with revenues.
- To balance school budgets in the County, 500 educator/administrative positions will need to be eliminated for each of the next 3 years. Or, real estate taxes will have to increase 13% every year for the next 3 years.
- The elephant in the room—Pensions. Act 120 was passed in 2010 to help address the unfunded pension liability. It lowered the funding of the plan but did not solve the pension problem—It just kicked the problem down the road. It smoothed the rate spike over five to nine years to allow the Commonwealth and school employers to gradually absorb the necessary funding increases.
- The problems were created by the General Assembly and can only be fixed by them. The first step has been taken in the form of mandate relief. 16 Bills are working their way through the Senate. #1 on the list is the furloughing of teachers/administrators for economic reasons. Others would align public school requirements with Charter Schools relieving public schools of many mandates that would then allow public schools to operate more efficiently.