

February 16, 2018

Pedro A. Rivera, Secretary
Pennsylvania Department of Education
333 Market Street
Harrisburg, PA 17126

Dear Secretary Rivera,

Penn Hills School District officials recently adopted a 2018-19 preliminary budget with a tax hike and an estimated \$5 million shortfall. The district is currently about \$172 million in debt with most of it coming from the construction of the elementary and high school. The district also spent nearly \$6 million over budget last year and approximately \$500,000 over budget in 2015-16. It appears we are going further and further into a hole.

It has come to my attention that the district may seek a third referendum waiver from the Pennsylvania Department of Education (PDE). I am asking PDE to deny this request.

As you know, a school district that adopts a preliminary budget with real estate taxes that exceed its index may seek approval for an exception to the referendum requirement in order to increase tax rates by more than its adjusted index. That index is a formula deliberately put in statute to limit excessive tax increases, and it should be allowed to serve its purpose. Any extraordinary increase should be required to pass a referendum, allowing the citizens paying the tax to make the decision. This is the fairest way, and allowing continued exceptions to the process is an insult and injury to the residents.

PDE should deny this request and require that the school district reduce the tax rate increase to no more than its index, or require it to submit a referendum question for voter approval in the next primary election. We cannot continue to allow the district to skirt the referendum required under law. I appreciate the state helping the district by maintaining its financial watch status; but this issue is front and center to the residents of the district and needs to be addressed immediately. The taxpayers cannot afford to have taxes raised year after year.

Penn Hills is the second largest municipality in Allegheny County and is a very diverse, but aging, bedroom community. Unfortunately, the poor judgement and resulting actions of the Penn Hills School District Board of Directors and key administrators over the past several years are now

jeopardizing this good town. If this trend of over taxation continues, no one will move into the community which will ultimately undermine the school district even further.

It is further distressing to hear that the district is seeking its fourth business manager in three years. Many of the financial errors committed in the district could have been averted with better decision making in the past, yet the future is not looking much brighter.

I am asking the Department of Education to consider all these things and disallow a third consecutive waiver allowance for Penn Hills Schools. Thank you for your attention in this matter.

Sincerely,

Tony DeLuca
State Representative
32nd Legislative District

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