



Senate Finance Committee

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BILL SUMMARY

SENATE BILL 1202, PN 1632 (SENATOR ARMSTRONG)

Summary:

Senate Bill 1202 makes the following changes to Pennsylvania's existing school budget referendum (often referred to as the "backend referendum") law:

- Eliminates all exceptions related to new school construction.
- Modifies the special education exception so that only costs above 250% of the index are excepted. (It is currently set at 100% of the index.)
- Eliminates the exception related to maintenance of "per-student local tax revenue."
- Eliminates the exception related to maintenance of "actual instructional expense per average daily membership."
- Eliminates the exception related to "maintenance of revenues."

Background:

As the following table¹ illustrates, these exceptions were widely used in the 2007-08 school year by districts looking to increase property taxes above the index.

Referendum Exception	# of Districts
New School Construction	7
Special Education	144
Per-Student Local Tax Revenue / Actual Instructional Expense per ADM	63
Maintenance of Revenues	45

¹ Data from the Pennsylvania Department of Education's *Report of Referendum Exceptions For School Year 2007-2008*