

Remarks of Thomas L. Newcome II, Ed.D.

Superintendent for the Octorara Area School District

House Bill 1788

October 22, 2009

Good morning. I am Tom Newcome, Superintendent for the Octorara Area School District. My district is located partly in eastern Lancaster County and partly in western Chester County and serves approximately 2,800 students. The majority of our district is rural agricultural with several small town centers and a few village centers. I am pleased to have the opportunity to speak to the topic of the impact of Act 319 on our school district specifically, and on many rural schools in general. I had the advantage of reading Mr. Shrom's statement and reviewing his documents prior to developing my own statement. So, in the spirit of placing value on the time of everyone in this company and honoring the collective intellect in this room, I will suffice it to say that if I ran the same reports and provided you with similar detailed analysis – you would be hard pressed to draw any significant differences in the effect of Act 319 on our districts – or in rural districts across the Commonwealth in general.

In real terms the impact of Act 319 in the Octorara Area School District means:

- \$5,117,754 in lost revenues
- Approximately 1,000 parcels realize the tax advantage of Act 319 (Approximately \$5,000 per parcel)
- Approximately 6,000 parcels realize an increase in taxes to offset this loss to the district (Approximately \$850 per parcel)

In a November 2008 report titled *Making Poverty History in Chester County, PA* from the Making Poverty History Task Force, data shows that the highest concentration of poverty in Chester County resides in the Octorara Area School District. Additionally, we have the lowest assessed property values in the county and the highest millage rate in the county. This

population, living in poverty, is the population that has to make up the lost revenues from Act 319. Finding a way to offset the difference would be real tax relief for these citizens.

At least as far back as 1999 there was some understanding that the good intent of Act 319 came with some troubling consequences. While Senate Bill 1199 of 1999 never made it to a public hearing, the author's understood that at least some portion of the difference in the tax shift to the average property owner needed to be offset. The intent was to balance out the impact of Act 319 on communities that were more rural (and to assure that children in these communities had the same educational opportunities as children in more developed communities). Unfortunately, and gratefully, we are still discussing this ten years later.

So what is the bottom line? The real impact of Act 319:

- Higher taxes for the majority of residents in our community.
- The poorest population in our county is bearing the responsibility to provide green space for the county while our wealthiest areas bear little of the responsibility to assure there is green space in the county.
- The very people that pay more to provide a resource for others – their children receive less.

Thank you for allowing me to speak. Thank you for your service to the residents of the Commonwealth. I know your challenges are steep. On behalf of the residents of the Octorara Area School District, I share my appreciation for your consideration of this bill.