

PENNSYLVANIA SCHOOL DISTRICT TAXES EXPECTED TO RISE ALMOST FIVE PERCENT



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School district property taxes are a major source of revenue for schools and a heavy burden on local residents in some places.



In the near future, they're expected to grow even more.

Recent years have seen them grow 2.4 percent-3.3 percent — but they're expected to grow by 4.8 percent and 4 percent in 2025 and 2026, according to an analysis from the Independent Fiscal Office.

In fiscal year 2022-23, school district property taxes totaled \$16.6 billion and are expected to rise by 3.2 percent to almost \$17.2 billion in 2023-24.

The increase in 2022-23 was the largest increase since 2018-2019, the IFO noted. A good chunk of that growth came from a citywide property reassessment in Philadelphia, which caused a 31 percent rise in assessed value of single-family homes.

By 2024-25, statewide school district property taxes will hit \$18 billion and \$18.7 billion in 2025-26, the IFO projected.

Previous IFO estimates expected the tax burden to grow, but its latest projections show a downward revision. In 2022, the office expected \$17.5 billion to be collected in 2023-24, but the latest estimate has it at \$17.2 billion.

However, as much as property tax collections have gone up, their overall share of funding schools has dropped in recent years. Instead, temporary federal aid from

COVID-19 grew (\$3.5 billion in the last five years), as has state sources.

Local residents can carry significant burdens thanks to school property taxes. In some instances, homeowners will pay four times as much in taxes for schools as they will for all other local and county taxes.

Schools are also growing their unassigned money in their general fund balances. Unassigned funds grew by 61 percent from 2018-19 to 2022-23, jumping from \$1.9 billion to \$3.1 billion.

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