

**Pros and Cons to Changing the Allowable Growth Thresholds (sec. 37 of Act 46, 2015)**

	<b>Pros</b>	<b>Cons</b>
<b>Current law</b>	All districts have a threshold target they must be aware of (unless they are exempted by one of the allowable reasons)	Does not give districts time to make reductions in a thoughtful manner
	Most districts looking at spending and areas of possible reduction	Adversely affects programs in a large number of districts
	Some right-sizing is occurring	Redirects time, thought, and effort from more productive conversations regarding student outcomes, educational matters, potential consolidations, etc.
	Some decisions are being made that might not have been made without thresholds	Does not take into account universal preK costs, increased health care costs, increased contract costs, new special education costs, new or rising tuition costs, rapidly decreasing pupil counts
	Property yield is at a maximum	
<b>Add 0.9% to allowable growth percentage</b>	All districts will still have a threshold target, but the threshold will be somewhat higher	Does not give districts time to make reductions in a thoughtful manner although removes some of the pressure
	Most districts will continue to look at spending and areas of possible reduction	Will still adversely affects programs in a number of districts
	Some right-sizing will likely still occur but not to the same degree	Redirects time, thought, and effort from more productive conversations regarding student outcomes, educational matters, potential consolidations, etc.
	Some decisions will likely be made that might not have been made without thresholds	In most cases, does not fully take into account universal preK costs, increased health care costs, increased contract costs, new special education costs, new or rising tuition costs, rapidly decreasing pupil counts
	Helps offset some of the excess dollars over the threshold due to increasing costs and reduced pupil counts	
	Property yield decreases as overall education spending increases	
<b>Repeal</b>	Districts will not be subject to double taxation for incurring costs beyond their control	Puts no restraints on individual district spending decisions other than normal restraints – some districts may not change spending decisions, others will likely increase budgets
	Removes a major distraction for school boards, allowing them to focus on educational matters	Right-sizing currently being considered may not occur
	Allows boards to make thoughtful reductions in a timely manner	Only a small number of districts will likely be impacted by returning to the old excess spending threshold of 16,905 for FY2017
	Implementation and cost of universal access to preK will not be as controversial	Overall education spending will increase
		Property yield will be at a minimum