



Report recommends ways to cut public school costs.

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HARRISBURG, Pa. - Pennsylvania's public schools could save hundreds of millions of dollars a year by such things as pooling tax collection systems and employee health insurance plans as well as building energy-efficient buildings, according to a report ordered by the Legislature.

The recommendations were among several cost-cutting strategies suggested Friday by a special task force established under a 2006 law aimed at reducing homeowners' property taxes.

"Finding more efficient ways to run our schools not only helps school districts be responsible stewards of taxpayer dollars, but it also enables all of us to better target funds to the classroom," task force chairman Michael Nadol said in a statement. Nadol is a managing director at Public Financial Management, a financial adviser to government agencies and school districts.

The greatest savings - \$127 million - could be made by consolidating a fragmented system of earned income tax collectors used by school districts and municipalities, the panel said.

School districts and local governments currently employ 560 different tax collectors, most of them elected, that charge different rates for their services, have different rules, and use different forms and codes, the report said. As a remedy, the task force called for legislation that would whittle that down to a system of 66 countywide tax collectors.

The task force also recommended a statewide health insurance plan, an idea endorsed earlier by Gov. Ed Rendell as a way to stem property tax increases.

Many individual districts buy policies, while some districts are organized into insurance-buying consortiums and others buy separate policies for professional and service employees. But some districts fear that they may lose benefits or pay more under a unified state plan than they now pay.

The report also said that increasing technical assistance offered by the state Education Department to encourage "green building" would save school districts \$13 million a year in reduced energy costs.

Tim Allwein, a lobbyist for the Pennsylvania School Boards Association, said the cost-reduction recommendations and a study released earlier this week on the cost of an adequate public education would help policymakers figure out how to lower property taxes.

The report is being delivered to Rendell and the House and Senate education committees, but it's unclear how soon lawmakers might take up any recommendations requiring legislation action.

"Many members of our caucus have said to us that the next issue on school funding we should address is related to costs and spending," said Erik Arneson, spokesman for Senate Majority Leader Dominic Pileggi, R-Delaware. "To the extent that these proposals will save money, we're very eager to take a look at them."