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June 14, 2016

Dear Erie School District property owner,

As I'm sure you are aware, it has been a challenging year for Erie's Public Schools. Throughout last year's budget impasse and our ongoing financial crisis, it has been made very clear that you, our local taxpayers, have borne a significant burden in supporting our district. Many of you responded to the 2015-16 budget impasse by paying your school taxes ahead of schedule, which helped us pay bills and keep our doors open while the state impasse dragged into March.

As we have seen and communicated over the past year, many of the school district's financial challenges have stemmed from circumstances beyond our control. Neither I, nor our Board of Directors, believe that raising local property taxes is a reasonable option at this time. However, we recently discovered the district's current tax collection cycle is out of compliance with Pennsylvania's local tax collection law.

In that regard, I am writing to inform you of an important change to the school district's tax cycle beginning in 2016. Essentially, this change will decrease the discount period in order to ensure that all taxes are collected within the timeframe required by law. Consolidating the collection cycle will also provide us an opportunity to reduce or eliminate our reliance on costly short term financing arrangements. A few important things to note on your new tax bills:

- The 3% discount period will be eliminated
- The 2% discount will only be offered in August and September
- Taxpayers can only pay at face value during October and November
- 2016 Installment payments will be due November, December, January, and February 15th
- 2017 installment payments will be due September, October, November, and December 15th
- 2016 delinquent taxes will be turned over to Erie County in February 2017
- 2017 delinquent taxes will be turned over to Erie County in January 2018

The following page provides two tables that show how this change will impact you. Please do not hesitate to contact the district's Chief Financial Officer, Mr. Brian Polito, if you have any questions regarding this change.

Thank you again for your support of Erie's Public Schools. As I have said many times this year, we understand that the district's future and that of our city are tied closely together, and we work hard to be good stewards of your hard-earned tax dollars. Thank you for your assistance with this important adjustment.

Sincerely,

Dr. Jay D. Badams
Superintendent of Schools

Erie's Public Schools

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Erie's Public Schools Real Estate Tax Collection Cycle

	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December
Current Collection Cycle	3% Discount		2% Discount					Face		10% Penalty							
2016 Collection Cycle	2% Discount		Face		10% Penalty			Delinquent Taxes Collected by Erie County - 10% Penalty									
2017 Collection Cycle	2% Discount		Face		10% Penalty	Delinquent Taxes Collected by Erie County - 10% Penalty											

How the change will impact you

If you paid your 2015 taxes:	Impact of new collection cycle in 2016:
During the 3% discount period (August and September)	The 3% discount is reduced to 2%
During the 2% discount period (October thru February)	You will need to pay your taxes by September 30 th to receive the 2% discount.
At face (March and April)	You will need to pay your taxes by November 30 th to avoid the 10% penalty or select the installment method by November 15 th .
In installments (April, May, June, and July)	The installments due dates move to November, December, January, and February 15 th .