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Schools, Government

County Leaders Set To Discuss School Budget Concerns

The fate of school impact fees hangs in the balance.

By [Sherri Lonon](#) | [Email the author](#) | 7:00am



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Pasco County School Board members and County Commissioners will sit down today, April 4, to address a proposal that would reduce or eliminate impact fees that help fund school construction.

On one side of the issue are school board members who say the district is already facing more than \$60 million in budget cuts in the coming year and can ill afford any more. On the other side are Pasco County Commissioners who have cut other impact fees in hopes of sparking construction and boosting the local economy.

The county commission has the final say in how much, if any, impact fees are charged to developers. Impact fees are levied to offset the costs of providing services to new development.

The school district charges about \$5,000 for each single family home built in the county. School officials say this fee is necessary to help pay for bonds already out on 11 schools that were built to meet the demands of recent growth. Some county officials, however, feel the fees are impeding economic growth.

The school board worries that it is facing what some have characterized “[a perfect storm](#)” when it comes to financing. It is losing funding on the federal, state and local level due to ongoing economic turmoil. All told, the district’s losses in the next year could climb to more than \$60 million and the potential loss of impact fees is just one more hit the district will have to absorb, officials said.

During a March 21 workshop on impact fees, a school board consultant said a reduction or elimination of fees wouldn’t help foster growth. In fact, he said the current fee is already too low.

“The county has been subsidizing new development for the last six years,” said Carson Bise, the president of TischlerBise, which is a financial, economic and planning consultancy firm based in Bethesda, Md. The current fee is “47 percent of what it could be.” Bise’s firm recommended raising fees to \$8,600 per single family home. The school board approved this raise; the county commission did not.

Bise was hired by the school board to look into the proposal by the Pasco County Commission to cut or do away with school impact fees to encourage development and growth. He gave a presentation to school board members during a March 21 workshop on the topic of impact fees and is expected to address the county commission during the workshop April 4.

School district spokeswoman Summer Romagnoli laid out some of the numbers that make impact fees critical in the eyes of the district.

~~In an email she wrote, “\$276.6 million was bonded specifically for the purpose of building 11 new schools necessitated by growth since the impact fee has been established. The annual debt service payment for these new schools is \$16.8 million. The total capital cost for these 11 new schools is \$301,284,186 (including land and construction).”~~
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If the district cannot fund debt payments out of its capital budget, which includes impact fees, it must dip into its general revenue. This money is used to pay for teachers and programs.

"This will lead to more lay-offs, salary cuts or program cuts in our operating budget," Romagnoli wrote.

In 2007, Bise's firm recommended that Pasco County's school impact fees be raised to \$8,600 per single family home to more accurately cover the costs of building schools to meet the demands of growth. The school board approved the idea, but the county commission did not.

Board members worry the district won't have the financial ability to keep up with growth-related demands if the fees are cut.

"When this economy improves, we're going to be back behind the eight-ball," said school board chairwoman Joanne Hurley. "I hope that we can get that point across. We've already had our 50 percent reduction."

The district has a total of \$474.8 million in bond debt. Given this current amount, it would be unable to sell bonds to pay for new construction if it were necessitated by growth, officials said.

"We're past our limit," said Superintendent Heather Fiorentino. She said bonds were taken out to cover construction on the 11 impact-free related schools and other facilities that were built in recent years, as well.

Hurley summed up her feelings about the impact fee proposal with these words: "This is just one part of the perfect storm."

The two boards will meet today, April 4, at 9 a.m. at the West Pasco Government Center, 7530 Little Rd., in New Port Richey.