

NESHAMINY

Residents could see \$265 hike

The board passed the preliminary budget along with a motion to try not to raise taxes beyond the Act 1 limit without the help of exceptions.

By RACHEL CANELLI COURIER TIMES

Neshaminy residents could see an average \$265 tax increase this year, officials said. The Neshaminy school board recently approved, by a 7-2 vote, the 2008-09 roughly \$168 million preliminary spending plan. That's up from the current year's \$164.4 million working budget, administrators said. The district's projected revenues are expected to be about \$153.3 million, which leaves a roughly \$14.7 million deficit, said business administrator Joseph Paradise.

To fill the gap, he recommended using \$7 million of Neshaminy's fund balance, or savings account. Paradise, though, warned that using that money could completely deplete the fund balance, which at the end of last year was \$9.9 million.

The board approved a budget that allocated \$7 million of that amount to fund the current year's budget. Paradise said the district will probably only use half of that, leaving \$6.9 million to carry into next year.

"I don't feel comfortable allocating \$7 million that may not be there," he said. "You can only spend [your savings] once and we're trying to spend it several times."

Plus, that would still leave a roughly \$7.7 million difference in revenues and expenses, officials said.

To balance the budget, after using some of the savings, the district needs another 9.8 mills of taxation, a 6.88 percent increase over the current millage of 142.3. One mill equals \$774,779, administrators said. For taxpayers who own homes assessed at the district average of \$27,080, that could mean a \$265 tax hike, Paradise said. The average tax bill could increase from \$3,854 to \$4,119.

Under Act 1, school boards can't increase a district's millage rate beyond 4.4 percent, or an additional 6.26 mills in Neshaminy, without a voter referendum, said Paradise.

But the state law also allows districts to apply for exceptions to raise taxes above that limit for costs that are beyond control like special education. In that category, Neshaminy could qualify for at least \$5 million, administrators said.

Board members Ritchie Webb and Frank Koziol voted against the budget. Koziol said it was too high and told administrators to take the exceptions out of the calculation.

Those exceptions, which also include maintenance of average instructional expense and selected revenue, add up to another 7.66 mills. That means Neshaminy could increase taxes by 13.92 mills without a voter referendum, officials said.

Koziol suggested that the board approve the budget only without using exceptions, but he was the only one who voted for that.

Koziol made another motion, which passed unanimously, that the board tries not to exceed the Act 1 limit without exceptions.

"I want a budget that's workable at 4.4 percent maximum," said board President Richard Eccles. "We can certainly go below."