

NESHAMINY

Input sought to trim budget

Officials said they expect the average \$500 tax increase to drop drastically.

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Like many people and businesses in this recession, Neshaminy officials are going to have to get creative when it comes to the school district's budget.

So, they're open to suggestions — from anybody.

That's why the focus of the next two strategic action committee meetings at 7 p.m. March 2 and 16 in Maple Point Middle School on Langhorne-Yardley Road will focus on ways to trim the fat of the \$167 million 2009-10 preliminary spending plan, administrators said.

Due to increasing health insurance costs, the next school year's expenses are estimated to be up \$4 million from the current \$163 million working budget. Projected at \$153 million, revenues, though, are down almost \$3 million from last year, according to business administrator Joseph Paradise.

If they were to fill the current \$14 million gap, that could mean a \$500 tax increase for homeowners with an average \$27,080 assessment. But officials said they expect to cut the deficit to at least \$5 million by applying for exceptions and coming up with other ways to cut costs.

The current millage rate is 148.6, and the value of 1 mill in Neshaminy is \$767,884, administrators said.

"I'm trying to heighten the alert and the level of concern," Paradise said. "We need to be a team. We're in this together and we've got to get out of it together."

Neshaminy is allowed to raise taxes by 4.1 percent without asking voters' approval, according to state tax law Act 1. That equals 6 mills, or \$4.6 million, officials said.

Administrators said they don't want to rely on using some of the \$1.2 million fund balance, as they have in years past because the savings account has been dwindling and they're afraid it won't replenish itself.

Neshaminy is applying for about \$3.3 million (2.9 percent, or 4.32 mills) in exceptions. Those exemptions are: \$595,558 (.52 percent, or .78 mills) for special education; and almost \$2.7 million (2.38 percent, or 3.54 mills) for maintaining revenues, officials said.

If approved, those exceptions would give the district a total allowable increase of \$7.9 million in taxation — 7 percent, or 10.32 mills, administrators said.

Neshaminy school board members agreed to try their best not to use those exceptions. Board member Frank Koziol didn't even want to apply for them, but the rest of the directors didn't agree last week.

Even after using the exceptions, officials still would need to come up with \$5 million to balance the budget.

The district could see additional savings and revenue from renting the Tawanka Learning Center and Neshaminy Middle School this summer and moving the ninth grade up to the high school this fall.

Administrators already are reducing overtime, eliminating travel and freezing any unnecessary expenditures.

"I believe we have a lot of very, very difficult decisions to make," said Paradise. "There's no magic bullet. Some revenues, including investments and tax revenues, are getting worse by the day, not better.

Board member Richard Eccles asked how the board can move forward when the district still hasn't reached an agreement on a new deal with the teachers union. Board President Ritchie Webb responded that talks are ongoing.

Meanwhile, acting Superintendent Lou Muenker said it will take the entire district's support to balance the budget.

"Our ability to reach our goal will be determined by a group effort, and borrowing thoughts and ideas," said acting Superintendent Lou Muenker. "This will be a potentially painful process. We'll try to keep a layer of protection around programs, but we need a conversation."