

NESHAMINY

Board foresees budget gap

Officials were adamant that the budget is a very rough draft.

By RACHEL CANELLI COURIER TIMES

The bad news: Neshaminy homeowners could see an average \$287 tax increase next year. The good news: that will more than likely go down. That's what business administrator Joseph Paradise told the Neshaminy school board Tuesday night while presenting the 2008-09 working budget. The roughly \$167 million spending plan is up almost \$3 million over the current year's \$164.4 million budget, said Paradise.

But, at this point, revenues are only expected at about \$152 million. That would leave a \$15 million deficit, he said.

He recommended using \$7 million of the district's fund balance, or savings account, but with caution.

"My concern is you can only spend your savings once," Paradise said.

That would also still leave an \$8.2 million difference, which would require an additional 10.6 mills. The current millage rate is 142.3, administrators said.

To the average Neshaminy taxpayer with a \$27,080 home assessment, that could mean a \$287 tax increase, Paradise said.

"It's important that we're talking about a very early estimate and rough data," he said. "The positive is that this gives the board an early view of the budget while there's still time to do something about it."

Under Act 1, though, school boards can't increase a district's millage rate beyond 4.4 percent, or \$4.9 million in Neshaminy, without a voter referendum, officials said.

But, like many districts, Neshaminy could qualify for at least \$5 million in exceptions from the state for costs that are beyond control like special education, administrators said.

As long as Neshaminy's increase falls between 7.6 and 13.9 mills, the district won't have to ask residents in April to approve a tax hike.

Board member William Spitz also emphasized to the public that administrators may have conservatively overestimated expenses and underestimated revenues since the process is still in the early stage.

"This shouldn't be taken as any indication that the board will be approving anything close to this," said Spitz. "We have a lot of work to do."

While the district is losing investment income to dropping federal interest rates, board member Ritchie Webb said officials need to put the brakes on using Neshaminy's savings.

"It's not a pretty picture you're painting," Webb said to Paradise.

Board member Frank Koziol pointed out that the budget discussed doesn't include closing the Tawanka Learning Center or Neshaminy Middle School, eliminating lead teachers, or removing modular classrooms, which are all reductions he wants to see.

"Obviously, you don't have any plans to reduce taxes for senior citizens in any way," Koziol said.

Although Superintendent Paul Kadri said he believes those changes would be the "wrong paths," he said he'd like to discuss cost structures with the board in a future executive session.

The board is required to make the budget public on or before Jan. 3, according to Act. 1.