

Daniel Boone board revises budget, uses reserve to avoid tax hike

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For Journal Register News Service

In a surprise move Monday night, the Daniel Boone Area School Board eliminated the .3168 mill tax increase from its preliminary budget. Board members said they will balance the \$1.5 million deficit with the district's \$4 million fund balance.

The board had previously determined after five months of budget workshops and board meetings that the preliminary budget should use \$1.2 million from the fund balance and \$315,000 revenue from a proposed .3168 mills tax increase.

But Monday night, Business Manager Danielle Penza told the board that the fund balance was nearly \$4 million, an increase of \$600,000 from May 14.

Board President Andrew Basile said the district has historically had a budget surplus after the budget was approved with a tax increase or the determination to use the fund balance.

He said a \$4 million fund balance is the most the district has ever had and the district should use those funds this year to balance the budget.

"Times aren't as tough as last year, and I hate to increase taxes and then we have a surplus," said board member Walter Sheehan. "I'll put money on it that we'll draw a surplus next year."

He said the state budget may be rewritten with an additional \$50 million that could include the previously eliminated transportation budget for public schools, but warned that his calculations still indicate the district will start the 2013-14 budget discussion with a deficit of \$4 million.

"I want to make sure that everyone is entering into this with their eyes wide open -- we'll be about \$4 million in the hole next year with a \$2 million increase in teacher salaries and benefits, and the use this year of \$1.5 million fund balance," said Sheehan.

The board approved the revised preliminary budget with a 7-1 vote.

The motion was opposed by member Kevin F. McCullough, who said it would be harder for the board to put a tax increase back into the budget if it is needed.

Board member Frank Carmine was absent from the meeting.



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Board member Frank Cerninaro was absent from the meeting.

The preliminary budget includes curtailing the Middle School World Language class and increasing class sizes for kindergarten through second grade.

"I'm thinking now we will be able to do without the tax increase," said board member Robert D. McLaughlin, who skyped in to the meeting.

While Douglassville residents David Poole and Robert Martino thanked the board for considering the taxpayers with a zero percent tax increase budget, other residents questioned along with McLaughlin the district's future solvency.

Board members discussed on May 14 the possibility of a bankrupt school district within a couple of years.

Birdsboro resident Thomas Schadt said the full day kindergarten reduction to a half day program, the Middle School World Language curtailment, and the increased class sizes are all "diluting the lemonade until it's no longer lemonade."

He said he was not happy with the 7-1 vote.

"A .3168 tax increase would mean about a \$90 tax bill increase for every \$100,000 of assessed property value," said Schadt, adding "and the board is still aware it could start next year with a \$4 million deficit.

"The same individuals who say we have to cut are the same (board members) who say we have the money in the fund balance to reduce the deficit," said Union Township resident Shane Kochel. "I'm confused; first we don't have money, but then we pull a surplus."

"I see 65 percent of our budget is on salaries and benefits," said Basile. "If we had made cuts three to four years ago we would be in a much better position today. The fund balance went from \$3 million to \$4 million despite out expenses. The district has an obligation to the taxpayers to spend that in tough times until things get better."

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