



## THE EXPRESS-TIMES

### Pen Argyl pans budget process

And you'll pan the 7.1 percent tax hike that was proposed.

Wednesday, January 17, 2007

By **DOUGLAS B. BRILL**  
The Express-Times

PLAINFIELD TWP. | Pen Argyl Area School District's preliminary budget calls for a 7.1 percent real estate tax increase, a figure which would require a voter referendum to adopt.

But school officials said Tuesday that figure will likely drop. They criticized a new state law that requires the preliminary budget adoption before school districts learn what funding they can expect from the state.

The budget crunch Pen Argyl faces is one school boards will face as they prepare budgets for the first time under Act 1, the state's most recent property tax relief initiative. They are required to prepare a budget now but won't know their cash flow until later.

"You have 501 school districts facing the same dilemma. We have to approve a preliminary budget with no numbers," school board President Bryan Scott said.

School districts, accustomed to a June deadline, are required by Jan. 25 under the new act to either adopt a preliminary budget or promise not to raise taxes over a state-determined threshold.

Any increase over 4.4 percent in the district needs to be approved by voters during May's primary election.

The state usually does not announce its funding allocations until April, meaning school boards will need to guess how much money the state will provide.

The act also precludes districts from increasing real estate taxes above an inflation-based index without voter approval, meaning school boards no longer have autonomy in securing funds through municipal taxes.

Board member Robert Rutt called the requirements of the new act an "embarrassment It's a shame to make a budget without knowing what state money is coming."

Superintendent William Haberl breezed through the expense portion of Tuesday's budget presentation. The district will spend about \$23.1 million.

But when it came to revenue, he used terms like "soft numbers" and "guesstimating."

The school board will count on about \$4.1 million in state money, a conservative estimate of a 2 percent increase over last year's allocation. The district received a 6 percent increase for 2006 -07.

Haberl hoped an increase in state funding would allow the board to reduce the real estate tax and avoid a referendum. But no one knows how much state money the district will get.

The 2007-08 preliminary budget must be available for public review for 20 days before it is adopted Feb. 14.

The school board voted Tuesday to advertise the budget.

Reporter Douglas B. Brill can be reached at 610-759-0508 or by e-mail at [dbrill@express-times.com](mailto:dbrill@express-times.com).

© 2007 The Express Times

© 2007 PennLive.com All Rights Reserved.