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Pa. school boards OK budgets using proposed numbers

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While slots money will soon pass through school districts' coffers and into taxpayers' pockets, school officials statewide are finding themselves in a gambling game when it comes to the budgets they are finalizing this month.

Gov. Ed Rendell has proposed a new six-year education scheme in which most districts — including Bald Eagle, Bellefonte and Penns Valley — would get a little more funding in 2008-09 than in recent years. The numbers are based on a 2007 independent costing-out study designed to help fund Pennsylvania's schools more equitably and raise student achievement.

Districts elsewhere in the state, such as Southeast Delco and Pottstown, would see as much as 16 or 17 percent increases — or in the case of Upper Darby, 22 percent — next year under Rendell's plan, according to the state Department of Education.

However, the General Assembly hasn't passed the 2008-09 state budget and Rendell's spending plan for education could go down the tubes — a possible outcome given developments this week.

Senate Republicans, including Sen. Jake Corman, R-Benner Township, passed their

own version Wednesday. Districts would get standard increases, and the funding scheme that's been in place for years wouldn't change.

The situation is tricky for districts. If last year's partial state government shutdown is any indication, lawmakers may still be debating after June 30 — the deadline for school boards to pass their final budgets.

So without any guarantee of the outcome, many school officials are betting the governor's plan will pass and are plugging the full amounts he has proposed into their own budgets. If Rendell's plan falls through, some districts will never see hundreds of thousands of dollars they've been expecting.

Bellefonte Area School District, the Centre County district that stands to gain the most from Rendell's plan, expects to get the full 3.9 percent increase, or \$289,461. If it isn't approved, business administrator Ken Bean said he sees "two options."

First, the district would be allowed to reopen its budget to make adjustments. "The problem with that is it is too late," he said. "The tax bills have either gone out or are in the process of being printed."

Option two? “If we don’t get the 3.9 percent, assuming we wouldn’t get lower than 2.5, we would have to eat that and maybe cut a couple planned expenditures,” Bean said.

But some school officials knew this was coming.

In February, Corman signed a letter that urges the superintendents within his jurisdiction not to use Rendell’s figures and to budget increases similar to those they’ve seen in past years.

Rendell released the figures “without vetting it out,” Corman said, and added that he “could never support” the \$85 million increase Rendell included for the School District of Philadelphia. Corman also takes issues with Rendell’s projections for state growth, given the current economic downturn.

“I knew this could be an issue this year, and that’s why I wanted to give the districts a warning ahead of time,” Corman said.

But Roger Carl, director of financial affairs for Susquenita School District, said Corman’s letter didn’t give any specific alternatives.

“Those were the published numbers,” Carl said of the Rendell plan. “That’s what we had.”

If the Republican plan passes, Susquenita will lose about \$400,000. The district has a decent fund balance to fall back on “at least for this year,” Carl said, “but then going forward with Act 1 and limited tax increases, it becomes an issue.”

Many districts that would see greater funding under the new formula are in similar positions.

At least one district, Upper Darby, did not budget Rendell’s increase, though officials there are obviously hoping their 22 percent increase goes through. The district budgeted its index, about 4.4 percent, instead.

Business manager Ed Smith and Assistant Superintendent Lou DeVlieger said part of the reason they did not budget the full amount was due to Rendell’s requirement that 80 percent of the increase be used for new or expanded programs. The boost wouldn’t help the district to reduce property taxes — a hot-button issue in that part of the state.

“Right out of the box, Gov. Rendell saw the problems we faced and made it a mission and changed the formula,” DeVlieger said. “The problem with this package, it’s not really giving the relief he originally set out to do. If we could spend that 22 percent to lower our budget as we wish, we would revolutionize this community.”

Leah Harris, spokeswoman for the Department of Education, said districts wouldn’t be “pigeon-holed” into spending the proposed increases on one item. There are many ways they could use the money, she said.

“There has to be some accountability held with such a large increase,” she said.

She also said state officials are “confident that this is something we can implement.”

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