



## **Citing state impasse, Keystone delays budget approval**

By Rodney L. Sherman, Clarion News Editor

***KNOX - Facing uncertain state funding, the Keystone School Board June 15 opted to delay a final vote on its 2009-10 budget until later this month.***

School districts in Pennsylvania are required to submit their budgets to the state Department of Education no later than June 30.

The board May 11 gave its tentative approval to a \$14,352,568 budget for the upcoming school year that holds real estate taxes at existing levels. Final adoption of the budget was expected at the board's June 15 meeting.

However, since the May 11 meeting, the Republican-controlled state Senate and Democratic Party Gov. Ed Rendell have failed to agree on a state budget for the new fiscal year, which begins July 1.

The budget Keystone approved May 11 is based on funding set by Rendell's budget. The senate's proposed budget includes a lower level of state funding for basic education subsidies to school districts.

And, while the legislature is required by state law to establish a budget by July 1 and often fails to do so, schools districts are still required to finalize their budgets by June 30, often without knowing definite funding levels from the state.

A reduction in state funding could force the board to consider a real estate tax increase.

"I'd be surprised if they (the state) have a budget in place by September," district superintendent Jean Atkin Gool told the board at its work session held prior to its regular business meeting. "I think we need to sit tight and see what happens."

Board member Greg Barrett asked what would happen if the district did not have a budget in place in by June 30.

“Technically, without a budget, we cannot spend any money as of July 1,” said board president John Slagle.

There was general agreement among board members to wait until the end of the month to see if the state agrees on a budget, but board members also expressed doubt a budget agreement will be reached by the end of the month.

“They (the Senate and Rendell) are not even close down there (in Harrisburg ),” said Barrett. “I have no problem with waiting (to approve the budget), but waiting two weeks isn’t going to make any difference.”

Board member Marilyn Stempeck added, “We could wait until Christmas. We’re counting on the funding the governor said we would get and now we don’t know if we will get that money. You want to cut spending and not raise taxes. I think it is irresponsible to pass a zero increase budget. I understand it – but what are we going to cut?”

Business manager Vern Lauffer acknowledged the board is not required to submit a budget until June 30, but reminded the board such a delay would affect tax billing.

“If you wait, you’re holding up tax bill printing and mailing,” said Lauffer. “The county and the municipalities are waiting for us to set our tax rate so the bills can go out.”

A delay in tax billing could shorten the time property owners have in which to pay their real estate taxes at a discount.

The majority of the discussion on the budget action came during the board’s work session where no formal action could be taken. Moving to the regular meeting immediately after the work session, the board agreed to table action on the budget and agreed to schedule a special meeting for later this month to take action on tax rates and the budget.