

In 'worst case scenario,' Centennial taxes may rise 3.7 percent

By Gary Weckselblatt Staff Writer | Posted: Tuesday, January 20, 2015 10:00 pm

Centennial's Finance Committee essentially held its collective nose Tuesday night as it voted to recommend the school board adopt a proposed preliminary budget with a 3.7 percent tax increase for 2015-16.

The \$106.8 million spending plan seeks exceptions for pensions and special education costs to go above the 1.9 percent index set by Act 1, the state's property tax law.

While directors took pains to explain the process is in the early stages and said changes are likely to take place before the final budget is passed in June, should Tuesday's plan become reality taxes would increase by \$121 for a resident with a home assessed at the district average of \$26,400. The total school tax bill would rise to \$3,346.50.

The district's millage would spike 4.59 mills to 126.76. A mill translates to \$1 in tax for every \$1,000 of a property's assessed value.

"We have to do a worst case scenario," said Steve Adams, a board member. "This is the worst case scenario."

Jack Schank, the district's interim business manager, said, "This is the start of budget process. This probably won't be the budget that will be adopted."

Board member Mark Miller, joining the meeting by conference call, said "We are only approving the language, not the exceptions."

The potential millage increase would provide \$2.5 million in revenue, Schrank said. But pension costs are rising \$2.1 million.

Next year, districts must contribute 25.8 percent of their payroll to the Public School Employees' Retirement System, up from 21.4 percent this year and 16.9 percent before that. Contributions, of which 50 percent are picked up by the state, were as low as 1.1 percent in 2002.

"Some people in our district can't afford one dime," said board President Jane Schrader Lynch. "We're trying to get the most for the least amount of money that we can."

Along those lines, Schank said \$3 million had already been removed from budget requests.

In his proposed expenditures for next year, only "regular education programs," with a 3 percent increase, rise more than 0.5 percent. Administration spending is down 2 percent.

"Every year these guys have to sit down and crunch numbers into the millions to try and make this thing work," Adams said. "There's a pension crises. Centennial is always looked at as a leader in

special education. We recognize that, but it ain't cheap. Three million is hard to find.”

Schrank said the budget was prepared without knowing the level of state and federal financial support. In his revenue summary, he estimates local sources increase their budget funding from 71.5 to 74.5 percent. In the meantime, state funding would drop from 25 to 24 percent.

Superintendent Joyce Mundy said as budget decisions are made “the faces of students” are paramount. “We felt we were able to do that with integrity,” she said. “I know we have a lot more work to do between now and June.”

Schrank said there are other options for the board to consider as the process moves forward to shrink the tax hike. One is to use more than \$500,000 of the \$6.7 million fund balance. Another is to cut staffing and programs.

There's also the possibility, a hopeful Schrader Lynch said, that with a new governor inaugurated Tuesday after campaigning on more money for schools, that Centennial gets more revenue from the state.”

“It's not a pleasant thing to ever talk about taxes,” Adams said. “Centennial has the second lowest tax rate in Bucks County. We try our best to keep it as low as possible.”