

ACT 1 - BUDGET TIME LINE

In connection with the budget preparation time-line, the school district can avoid following the accelerated budget preparation process if the Warren County School Board passes a resolution that they will not increase taxes by more than the districts index. The Warren County School Districts index for the 2007-2008 fiscal year is 4.9%. Converting that into millage yields $.46 * 4.9\% = .02254$ or 2.254 Mills. Should such a motion be approved the budget preparation process will revert to traditional time line where the preliminary budget is due in May 2007, and the final budget by June 30, 2007.

Recommended Action: That the Warren County School District Board of Directors approves a motion to not increase taxes for the 2007-2008 fiscal year by more than the school districts' index.

In order for this motion to take effect, it would be prudent for the board of school directors to approve it by the December 2006 school board meeting.

Taxpayer Relief Act***Special Session Act 1 of 2006, Referendum Exceptions Submitted to PDE
Guidelines for the 2007-2008 Fiscal Year***

Preliminary Budget and Approval of Tax Rate Increases (Section 311, 333(a) (1), 333(e)) School districts must adopt a preliminary budget by February 14, 2007. The adopted preliminary budget, along with a schedule of proposed tax rate increases, must be submitted to the Department of Education (PDE) by February 19, 2007. After review of the school district's proposed tax rate increases as reported on the preliminary budget, PDE will inform school districts in writing by March 1, 2007, of what further actions, if any, must be taken. If proposed tax rate increases exceed the school district's index, (1) the tax rate increase must be reduced to the index, (2) a referendum exception must be sought from PDE or the Court of Common Pleas, or (3) the tax rate increases must be approved by voters at the primary election on May 15, 2007.

In lieu of a preliminary budget process, school districts have the option of adopting a resolution indicating that the rate of any tax will not be raised by more than its index. School districts must submit a copy of this resolution and a schedule of proposed tax rate increases to PDE by January 30, 2007. After review of the school district's resolution and proposed tax rate increases, PDE will inform school districts in writing by February 9, 2007, whether the proposed tax rate increases are less than or equal to their index. If proposed tax rate increases exceed the school district's index, the school district is required to adhere to sections 311(a) and (c)—relating to preliminary budget adoption—and will be permitted to submit referendum exceptions to PDE or the Court of Common Pleas.