

The Budget Development Process

The District's budget development process is motivated by the following three major objectives: (1) to provide students with exceptional educational opportunities; (2) to maximize the use of all available resources to optimize student achievement in a manner that is fiscally responsible; and (3) to comply with applicable law.

For purposes of this Policy:

1. “**Act 1**” refers to the Pennsylvania Taxpayer Relief Act; Special Session Act 1 of 2006.
2. “**Act 1 Index**” refers to the Index, which is published annually by the Pennsylvania Secretary of Education, pursuant to Act 1, and which is used to determine the maximum real property tax increase (without Court, Pennsylvania Department of Education or voter approval at a referendum).

Each year, the Business Manager shall prepare a budget development schedule with two separate tracks.

1. One track based on the assumption that the Board **will** adopt and submit a resolution to the Pennsylvania Department of Education stating that property taxes will not be raised above the Act 1 Index; and
2. The other track based on the assumption that the Board **will not** adopt and submit a resolution to the Pennsylvania Department of Education stating that property taxes will not be raised above the Act 1 Index.

Each calendar shall incorporate the procedural steps set forth below, including dates for each step, in order to ensure compliance with the timelines established by Act 1:

1. budget development and administration review activities;
2. public presentations;
3. the public hearing;
4. preliminary budget adoption;
5. final budget adoption; and
6. other required or optional budget activities consistent with applicable law.

Formulation of Preliminary Budget

The procedure to be followed in formulating the preliminary budget shall be as follows:

1. The Superintendent shall present a draft proposed preliminary budget to the Board Finance Committee for review. This draft preliminary budget shall contain a current estimate of expenditures for the full year and shall reflect the estimated funds needed for support of the District for the ensuing year.
2. The Board Finance Committee shall review the draft proposed preliminary budget and make revisions deemed appropriate by the Committee.
3. The Board Finance Committee shall then do either of the following:

- a. Recommend that the Board adopt and submit a resolution to the Pennsylvania Department of Education stating that taxes will not be raised above the Act 1 Index, and follow the corresponding budget track; or
 - b. Submit a proposed preliminary budget to the full Board to be voted upon for adoption by the Board at a regular or special Board meeting.
 - i. This submission shall occur at least 21 days prior to the meeting when adoption of the preliminary budget is scheduled to occur; and
 - ii. This submission shall constitute authorization to the administration to publish and display this proposed preliminary budget as required by Act 1.
4. After consideration of the preliminary budget proposal and the recommendation of the Board Finance Committee, the Board shall either:
- a. Adopt a resolution stating that taxes will not be raised above the Act 1 Index and authorize the administration to submit this resolution to the Pennsylvania Department of Education. Adoption of such a resolution foregoes the need for the District to follow the remaining steps in this section, or
 - b. Adopt a preliminary budget which provides for a real estate tax increase greater than the Act 1 Index.
5. If the Board adopts the preliminary budget that provides for a real estate tax increase greater than the Act 1 Index, the Board may also authorize the administration to advertise the District's intent to seek all or some of the referendum exceptions permitted by Act 1 and to seek such approval from the Pennsylvania Department of Education or Chester County Court of Common Pleas for such exceptions.
6. In addition to, or instead of, seeking approval for Act 1 exceptions as described in the preceding paragraph, the Board may authorize the administration to submit a referendum question seeking voter approval to increase the rate of taxes by more than the Act 1 Index to the Chester County Board of Elections.

Public Review of the Budget

The District shall advertise the availability of the preliminary budget for public inspection and provide prior notice of any final action on the budget as required by law. The notice will include the time and place of the meeting at which the final budget will be adopted. The public shall be informed of the educational implications of the budget following the approval of the preliminary budget and prior to the adoption of the final budget.

Adoption of the Budget

The Annual Budget Meeting of the Board for the purpose of adopting the final budget shall be held each year prior to June 30 at a properly advertised meeting.

Adopted: September 8, 1969
Revised: January 24, 1994
Revised: November 30, 2006
Revised: March 26, 2007
Revised: January 3, 2012