

No. 602

SECTION: Finances

TITLE: Budget Preparation and Adoption

CATASAUQUA AREA SCHOOL DISTRICT

ADOPTED: June 13, 2017

602 – BUDGET PREPARATION AND ADOPTION		1
1. Purpose	<p>The budget shall be designed to reflect the goals and objectives of the Board of School Directors concerning the education of the District’s students. Therefore, the budget shall be organized and planned to ensure adequate understanding of the financial needs associated with program support and development. The financial requirements of District programs shall be reviewed on a continual basis.</p> <p>The Board considers the preparation of the annual budget to be one of its most important responsibilities because the budget is the financial reflection of the District’s education plan. The budget shall be designed to support the educational plan in a comprehensive and efficient manner, to maintain District facilities, and to honor District obligations. The Board recognizes its obligation to the taxpayers to approve only those expenses reasonably required to provide an educational program suitable to the needs and goals of the District and its students. The budget shall be prepared and adopted in accordance with legal requirements.</p> <p>All reasonable means shall be employed to present and explain proposed and adopted preliminary and final budgets to District taxpayers. Each Board member and each District administrator shall be knowledgeable about, and understand the need for, each proposed expenditure so that they can answer questions directed to them.</p>	2
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3. Budget Planning

In order to meet the objectives of this policy, the Board directs the Superintendent or his/her designee to:

1. Include in all ongoing District studies of the educational program an estimated annual cost of implementing said program.
2. Prepare and maintain a long range plan for annual maintenance and replacement of facilities and equipment.
3. Establish a projected budget of expenditures and income.
4. Prepare an annual estimate of anticipated school enrollments.
5. Maintain a plan of anticipated revenues based on changes in state and federal legislation.
6. Prepare and maintain a plan for current and future technology needs.
7. Report to the Board any serious financial implications arising from the budget plan.

4. Budget Preparation

The responsibility of budgeting is shared by the Board and Administration. The participation of staff in budget-making is essential and a pattern for preparation of the budget is the responsibility of the Superintendent. This pattern must follow a definite time schedule.

Each new budget year requires a reassessment of the educational program of the school system. The administration shall furnish the Board with the necessary written information to make a proper judgment.

In order to ensure adequate time for preparation and review of the budget pursuant to law, the Board directs the Superintendent and the Business Supervisor to present to the Board all available and relevant information associated with the budget at least 130 days prior to the Election. Initial discussions shall begin earlier, in September of the calendar year before the beginning of the new fiscal year.

In preparing the budget, all administrators shall prepare individual budgets for their programs and departments that include expenditures for, but not limited to, the following:

1. Staff, technology, equipment, and supplies for all current programs.
2. Additional staff, technology, equipment, and supplies for improvements to and/or expansions of the current programs.

- 3. Maintenance of existing facilities and equipment.

When presented for Board review, the proposed budget (preliminary or final) shall contain—

- 1. Estimated revenue and expenditures in each financial category for the previous fiscal year.
- 2. Estimated revenue and expenditures in each financial category for the upcoming fiscal year.
- 3. Anticipated student enrollment for the upcoming school year.
- 4. Amount of surplus anticipated at the end of the current fiscal year.
- 5. The Index for the upcoming fiscal year.
- 6. A listing of all exceptions to the Index for which the District may be eligible.
- 7. An explanation of each item of proposed expense, upon request.
- 8. A comparison of the estimated tax increase to the Index limitation applicable to the District.
- 9. If the proposal would require a referendum, a list of the programs, services, and expenditures which would be eliminated if the referendum is rejected by the voters.

5. Adoption of the Budget

School Code § 687; 53 Pa. Stat. Ann. §§ 6926.311 and .312.

A. *In General.*

The Board directs the Superintendent and the Business Supervisor to prepare both the preliminary and final budgets on the required forms; comply with advertising requirements; make the budget documents and supporting information available in printed form for public inspection in the District administration office; and submit the appropriate forms, certifications, and resolutions to the Pennsylvania Department of Education, all in accordance with the timelines specified in law and Board policy.

B. *Choice of Budget Procedure Option.*

The Board shall annually decide whether to utilize the Resolution Not To Exceed Option or the Preliminary Budget Option for the preparation of the budget for the upcoming fiscal year. The final decision must be made no later than one hundred ten (110) days prior to the Election, but proper guidance must be given to the Administration in sufficient time to prepare a preliminary budget proposal, if necessary.

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C. *Resolution Not To Exceed Option.*

53 Pa. Stat. Ann.
§ 6926.311(d)

If the Board elects to utilize the Resolution Not To Exceed Option, then the Board must adopt a Resolution, no later than one hundred ten (110) days prior to the Election, which contains unconditional certifications that:

1. The Board will not increase the rate of any District tax for the upcoming fiscal year over the rate of such tax for the preceding fiscal year by more than the Index applicable to the District for the upcoming fiscal year as calculated by the Pennsylvania Department of Education.
2. The Board will comply with the procedures set forth in Section 687 of the School Code for the adoption of the budget for the upcoming fiscal year.
3. The increase of any tax at a rate less than or equal to the Index will be sufficient to balance the final budget for the upcoming fiscal year.

No later than five (5) days after the adoption of this Resolution, the District shall submit to the Pennsylvania Department of Education: (1) a copy of the Resolution, and (2) information on a proposed increase in the rate of tax levied for the support of the District on a uniform form prepared by the Department.

Upon receipt of the information so submitted, the Department of Education shall compare the proposed percentage increase in the rate of the tax with the Index. Within ten (10) days of the receipt of the information, the Department shall inform the District whether the proposed tax increase is less than or equal to the Index. If the Department determines that the proposed percentage increase in the rate of the tax exceeds the Index, the District shall be required to follow the Preliminary Budget Option.

D. *Preliminary Budget Option.*

53 Pa. Stat. Ann.
§ 6926.311

If the Board elects to utilize the Preliminary Budget Option, then the Board must adopt a Preliminary Budget Proposal no later than ninety (90) days prior to the Election. The Preliminary Budget Proposal shall include estimated revenues and expenditures and any proposed tax rates and shall be prepared on a uniform form furnished by the Department of Education.

The District shall print the Preliminary Budget Proposal and make it available for public inspection at least (20) days prior to its adoption, and shall give public notice of its intent to adopt the Preliminary Budget Proposal at least ten (10) days prior to adoption. The Board may hold a public hearing prior to adoption of the Preliminary Budget Proposal.

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53 Pa. Stat. Ann.
§ 6926.333(e)

If the Preliminary Budget includes an increase in the rate of any tax levied, the District shall submit information on the increase to the Pennsylvania Department of Education on a uniform form prepared by the Department no later than eighty-five (85) days prior to the Election.

Within ten (10) days of the receipt of the information on the increase, but no later than seventy-five (75) days prior to the Election, the Department shall inform the District whether the proposed tax increase is less than or equal to the Index. If the Department determines that the proposed percentage increase in the rate of the tax exceeds the Index, the Department shall notify the District that either (1) the proposed tax increase must be reduced to an amount less than or equal to the Index, or (2) the proposed tax increase must be approved by the electorate or exception(s) must be sought from the Department in accordance with the Taxpayer Relief Act.

53 Pa. Stat. Ann.
§ 6926.333(f), (j)

If the proposed tax increase exceeds the Index, the Board may direct the Superintendent to seek approval for exception(s) from the Department in accordance with the Taxpayer Relief Act. The District shall provide public notice of the intention to seek Department approval of exceptions in accordance with law. If the Department does not approve any of the exception(s), the District may either adopt a tax rate which does not exceed the Index (beyond the extent of any exceptions approved by the Department), or direct the Superintendent to submit a referendum question to the county election officials no later than fifty (50) days prior to the Election as authorized by law seeking voter approval for a tax rate that exceeds the Index.

53 Pa. Stat. Ann.
§ 6926.333(c),
(f)

Alternatively, if the proposed tax increase exceeds the Index, the Board may determine not to seek any exceptions from the Department, but instead direct the Superintendent to proceed with submitting a referendum question to the county election officials no later than sixty (60) days prior to the Election as authorized by law seeking voter approval for a tax rate that exceeds the Index.

53 Pa. Stat. Ann.
§ 6926.333(c);
25 Pa. Stat. Ann.
§ 2621.1

Any referendum question shall be accompanied by a nonlegal interpretive statement, written in plain English and indicating the purpose, limitations, and effects of the referendum question on the taxpayers. The nonlegal interpretive statement shall include information that references the items of expenditure for which the tax increase is sought and the consequences of the referendum being disapproved by the electorate. Public notice of the referendum question and the nonlegal interpretive statement shall be given in accordance with law.

53 Pa. Stat. Ann.
§ 6926.333(d),
(j)

If the referendum question is not approved, the Board shall be limited to increasing the tax rate to an amount not more than the Index, plus any amount approved as an exception by the Department of Education.

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E. *Final Budget.*

School Code
§ 687(a), (b); 53
Pa. Stat. Ann. §
6926.312

At least thirty (30) days prior to the adoption of the Final Budget, the Board shall approve a Proposed Final Budget. The Proposed Final Budget and the Final Budget shall include estimated revenues and expenditures and any proposed tax rates and shall be prepared on a uniform form furnished by the Department of Education.

On the date of the adoption of the Proposed Final Budget, the President of the Board shall make a certification to the Department of Education as provided by law.

The District shall print the Proposed Final Budget and make it available for public inspection to all persons and duplication to any person at the District’s Administration Office at least (20) days prior to adoption of the Final Budget. Fees for duplication of the Proposed Final Budget shall be reasonable and based on prevailing fees for comparable duplication services provided by local business entities. The District shall give public notice of its intent to adopt the Final Budget at least ten (10) days prior to adoption. The Board may hold a public hearing prior to adoption of the Final Budget.

School Code §
508

After making such revisions and changes to the Proposed Final Budget as appear advisable, the Board shall adopt the Final Budget by a vote of a majority of its members by June 30th. Within fifteen (15) days after the adoption of the Final Budget, the District shall file a copy of the same with the Department of Education.