PEQUEA VALLEY SCHOOL DISTRICT

Accelerated Budget Opt Out Resolution Certifying Tax Rate Within Inflation Index (and No Need to Comply with Act 1 Accelerated Budget Procedures) 2027-2028 School Year

[The purpose of this resolution is to allow the school district to follow normal budget procedures, and dispense with the more complicated, expensive, and accelerated Act 1 budget requirements. This option is available only to school districts that are certain the next year budget can be funded without increasing the real estate tax rate by more than the index (and therefore without seeking approval for any index limit exceptions). This resolution may be adopted after the preliminary budget is available, or the board has sufficient information to be certain the budget can be funded by a tax increase within the index. For fiscal year 2027-2028, the resolution must be adopted no later than January 28, 2027.

Background. Act 1 § 311(a), 53 P.S. § 6926.311(a), requires an accelerated budget adoption timeline and procedure unless a school district, no later than 110 days before the primary election, adopts a resolution containing the certifications incorporated in this resolution. The deadline this year is January 28, 2027 (the primary election is May 18, 2027). After adoption of a resolution containing such certifications, § 311(d) authorizes a school district to comply with pre-Act 1 budget adoption rules as set forth in School Code § 687, 24 P.S. § 6-687. The School Board has reviewed the school district preliminary budget or has other information sufficient to make a determination that the budget for the next fiscal year can be funded based on maintaining current tax rates or increasing taxes by an amount less than or equal to the Act 1 index. In lieu of the Act 1 budget adoption timeline and procedure, the School Board wishes to make the required certifications and comply with pre-Act 1 budget adoption rules.

RESOLVED, that the Board of School Directors of Pequea Valley School District, makes the following unconditional certifications:

1. The school district's various tax levies and other revenue sources will be sufficient to balance the school district final budget for the next fiscal year (2027-28) based on maintaining current tax rates or increasing tax rates by an amount less than or equal to the Act 1 index applicable to the school district as calculated by the Pennsylvania Department of Education. This conclusion is based on the school district preliminary budget or other information available to the School Board.

2. Because 2027-28 is the first fiscal year for levy of taxes after a county-wide reassessment for Lancaster County, the applicable index for the School District within such county for such fiscal year is 3.3%, and the School Board will not within such county for such fiscal year increase the rate of its real estate tax, or any other tax for the support of public education, by an amount that exceeds the applicable index."

3. The School Board has to date and in the future will comply with the rules set forth in School Code § 687 for adoption of the school district proposed and final budgets for the next fiscal year.

4. The School Board understands that the school district will not be eligible to use Act 1 referendum exceptions for the next fiscal year.

ADOPTED by the School Board November 5, 2026.

John A Bowden, Secretary

[Per Act 1 §§ 311(d)(2)(ii) and (iii), the school district must, within 5 days after adoption of this resolution submit to PDE: (1) on a PDE prescribed form, information on any proposed tax increase – **Real Estate Tax Rate Report**; and (2) a copy of this resolution.]