

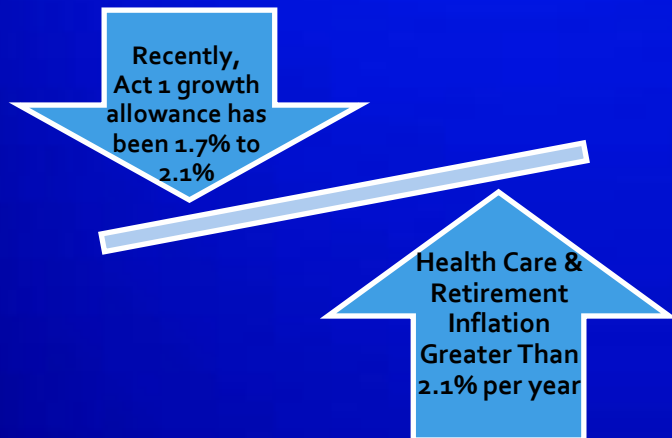
Preliminary Budget Adoption

January 28, 2014

2014-15 Budget Pressure Points

Expenses

- ◆ Health Care
- ◆ Retirement System
- ◆ Teacher Negotiations



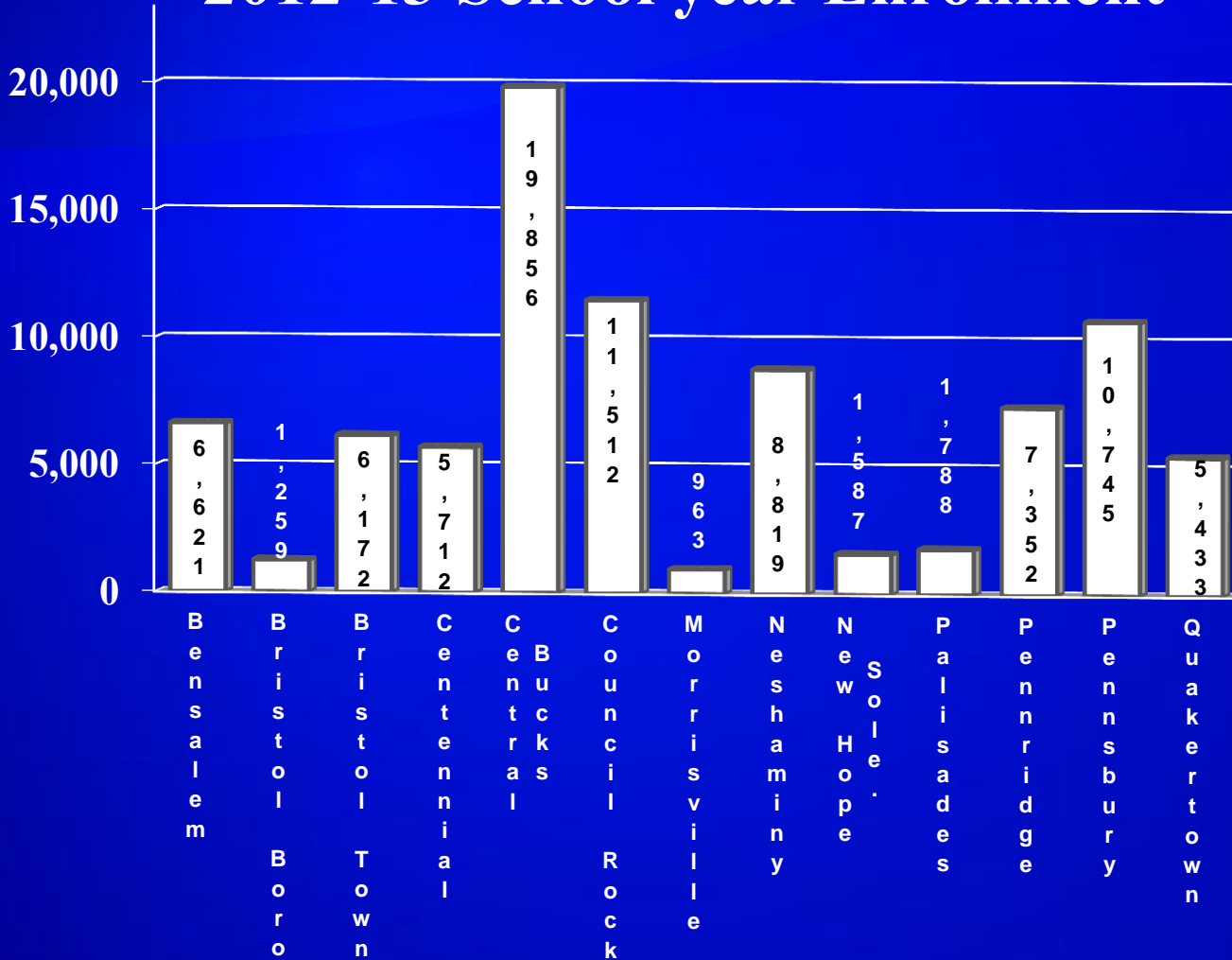
Revenues

- ◆ Stagnant State and Federal Funding
 - ◆ Basic Education Funding
 - ◆ Special Education Funding
 - ◆ Accountability Block Grant
 - ◆ Transportation Funding

County Enrollment and Changes

2012-13 School year Enrollment

Source: BCIU #22 Enrollment Report
2011-12 Vs 2012-13

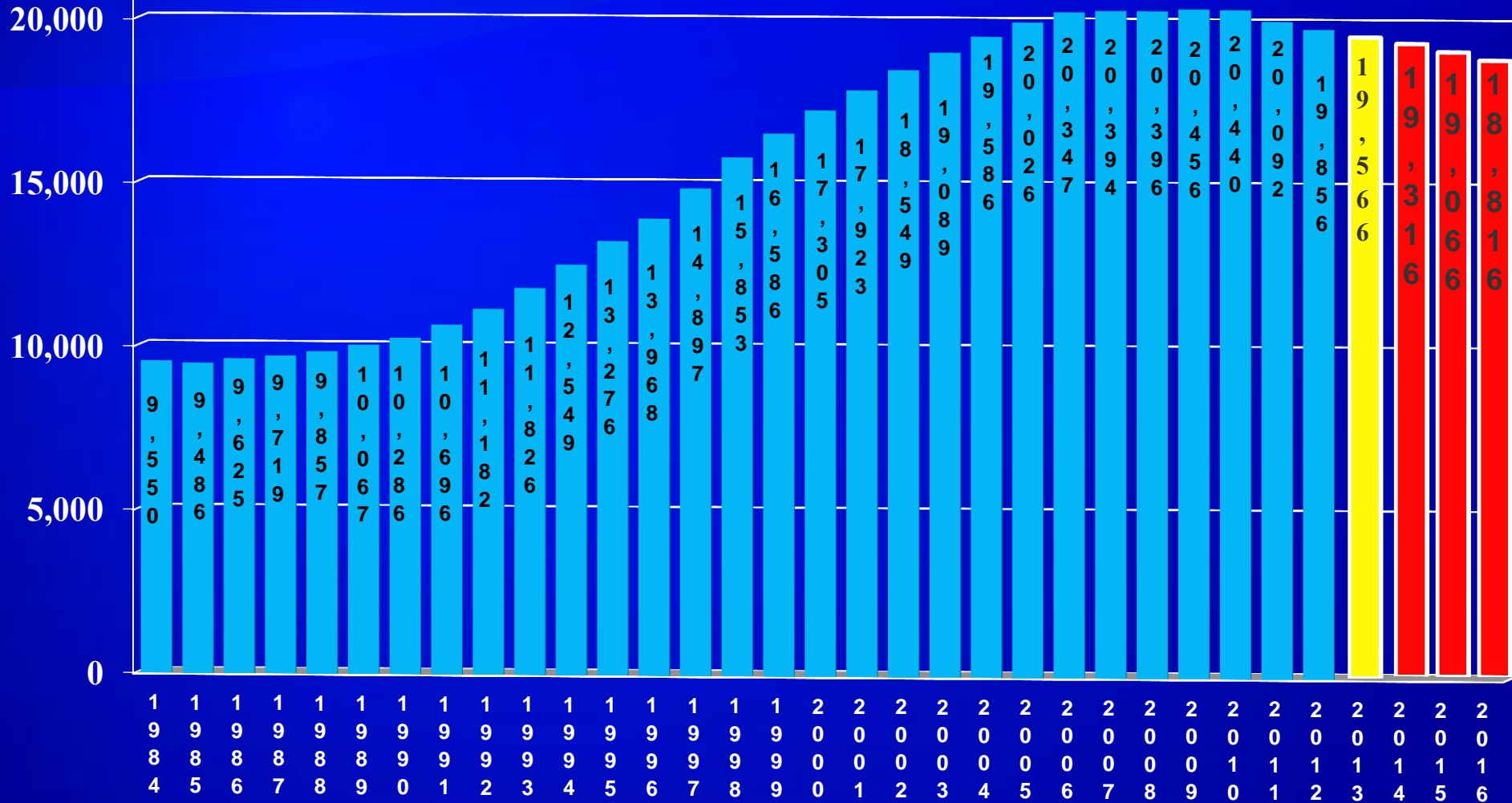


School District	Increase / (Decrease) Over the Prior Year
Bensalem	89
Bristol Boro.	(79)
Bristol Town.	(505)
Centennial	(1)
Central Bucks	(236)
Council Rock	(159)
Morrisville	15
Neshaminy	(61)
New Hope Sole.	(17)
Palisades	(22)
Pennridge	(22)
Pennsbury	(94)
<u>Quakertown</u>	<u>69</u>
Total	(1,023)

CBSD Enrollment

1984 – 2009: Enrollment Increased by 114%

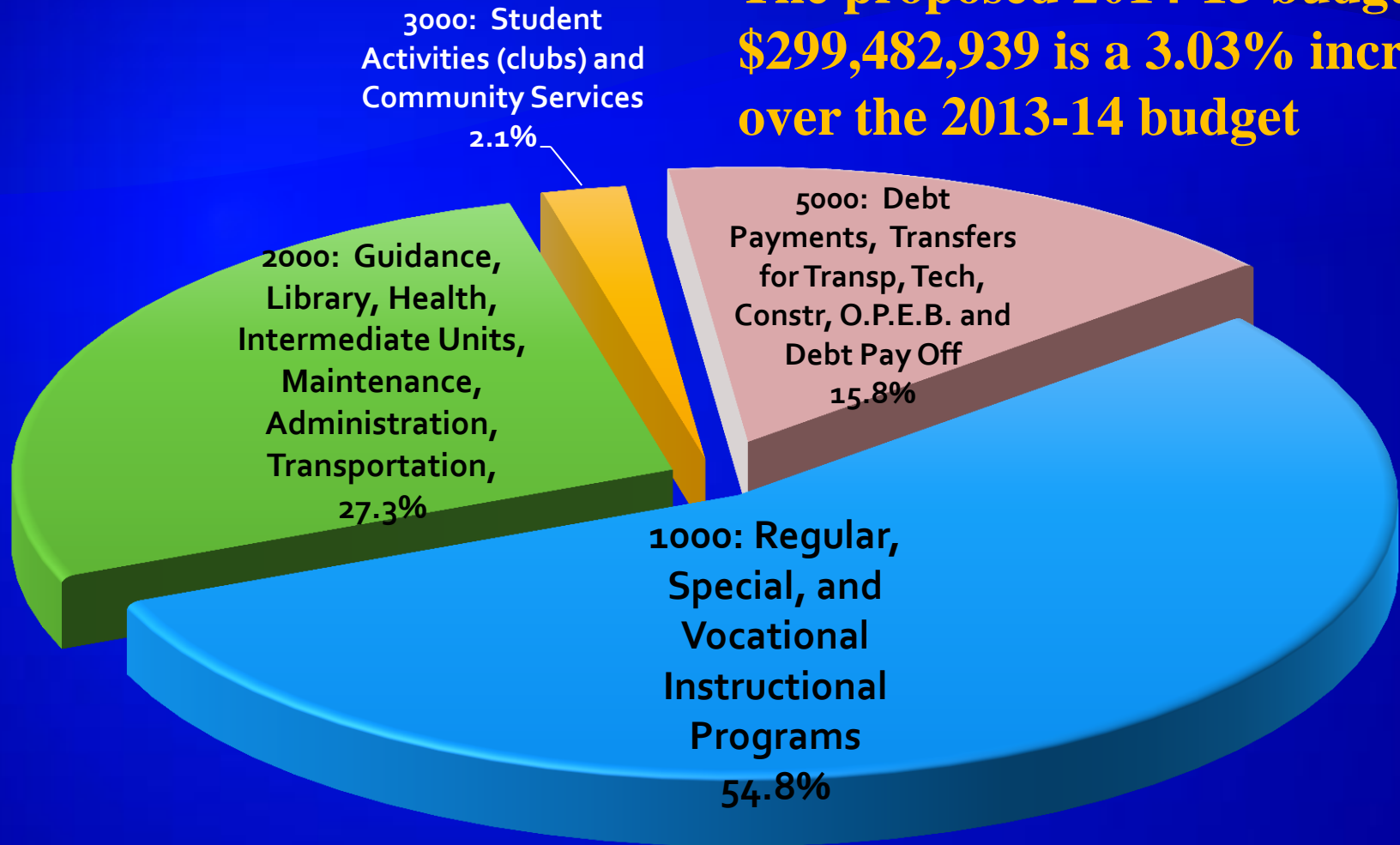
Enrollment is Expected to Decline Slightly Over the Next Several Years



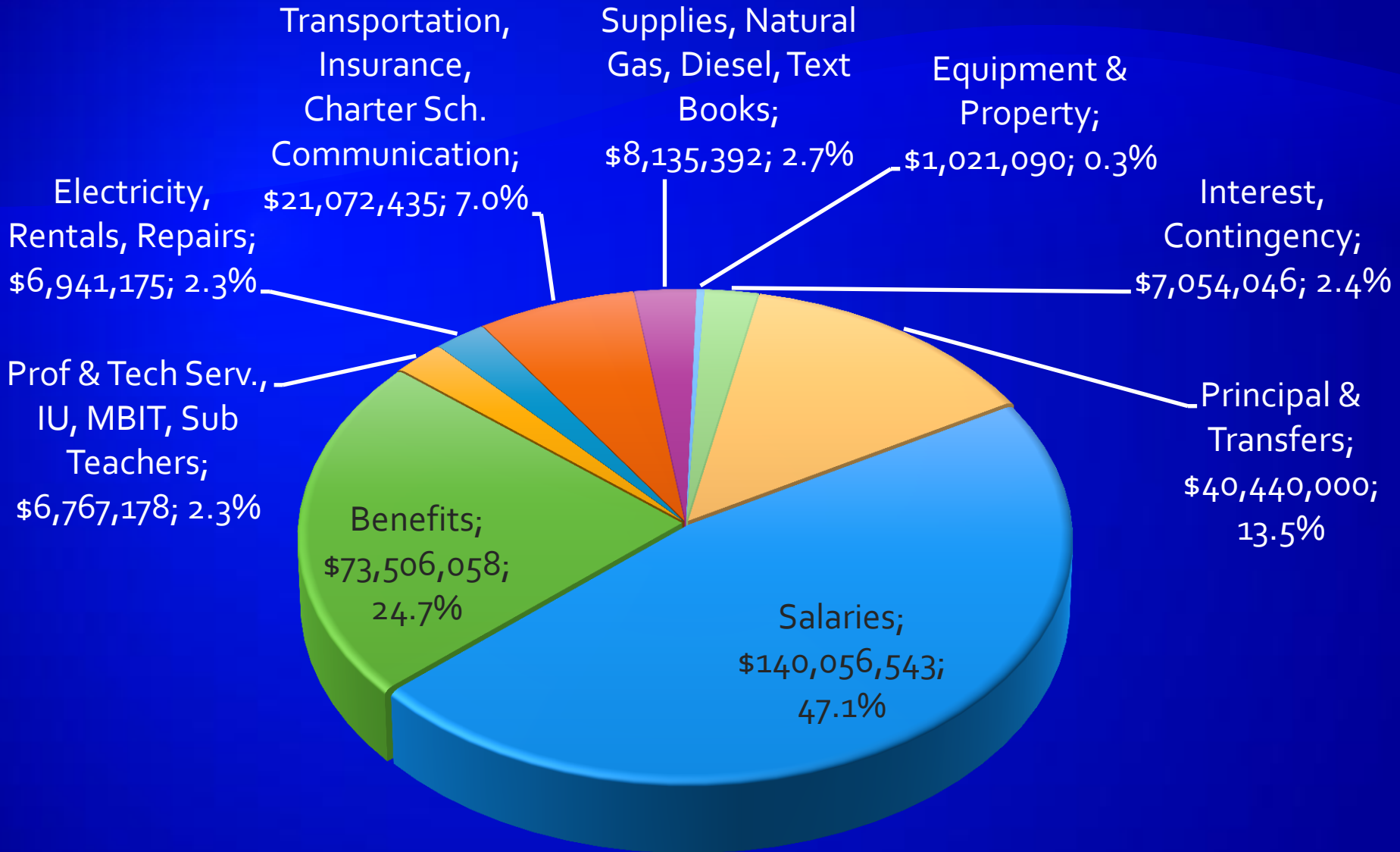
■ CBSD enrollment October, 1st each year ■ Current Year ■ CB Projections

Expenditures By Major Functional Area







The proposed 2014-15 budget of \$299,482,939 is a 3.03% increase over the 2013-14 budget



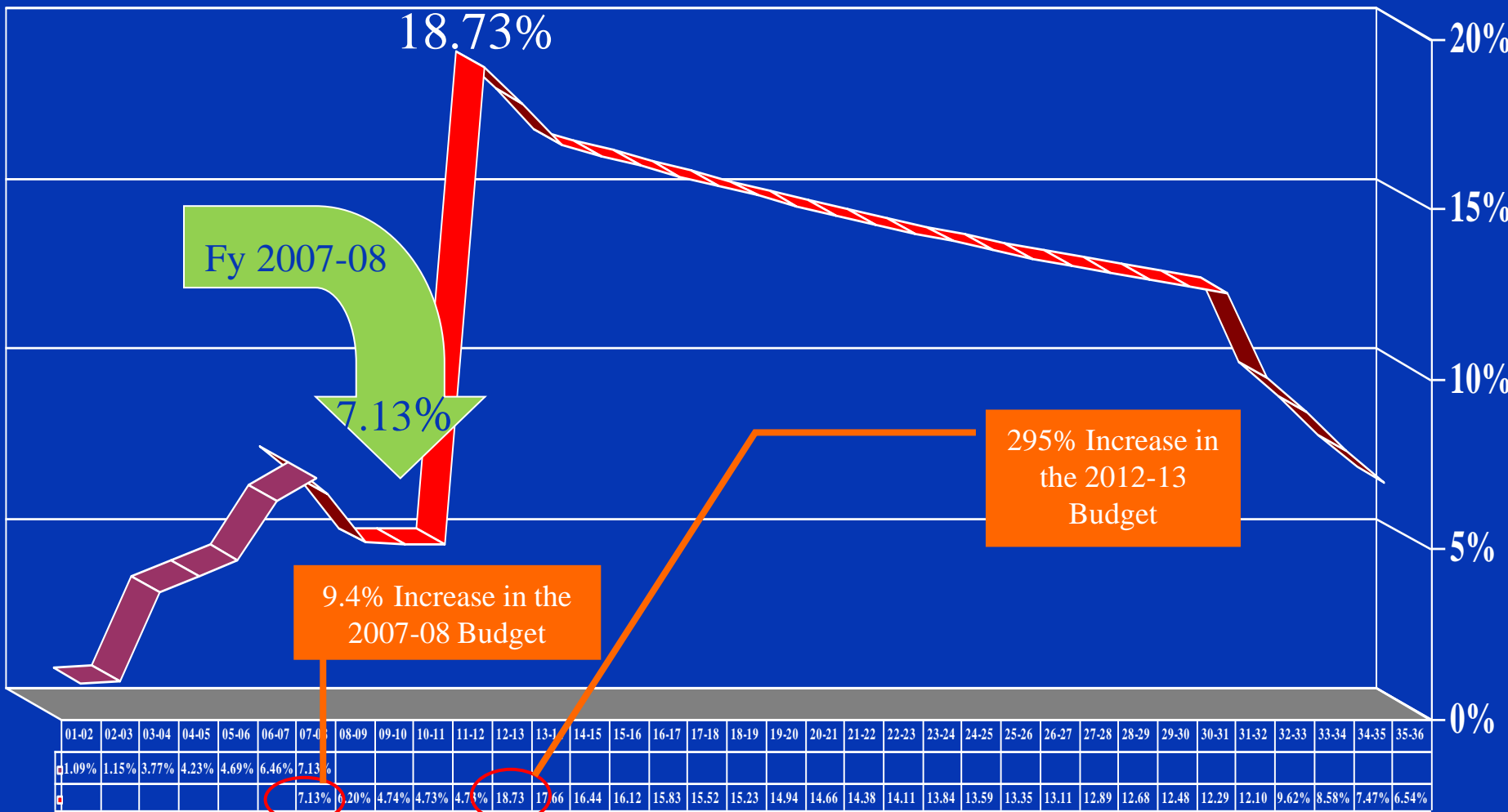
Expenditures by Major Categories



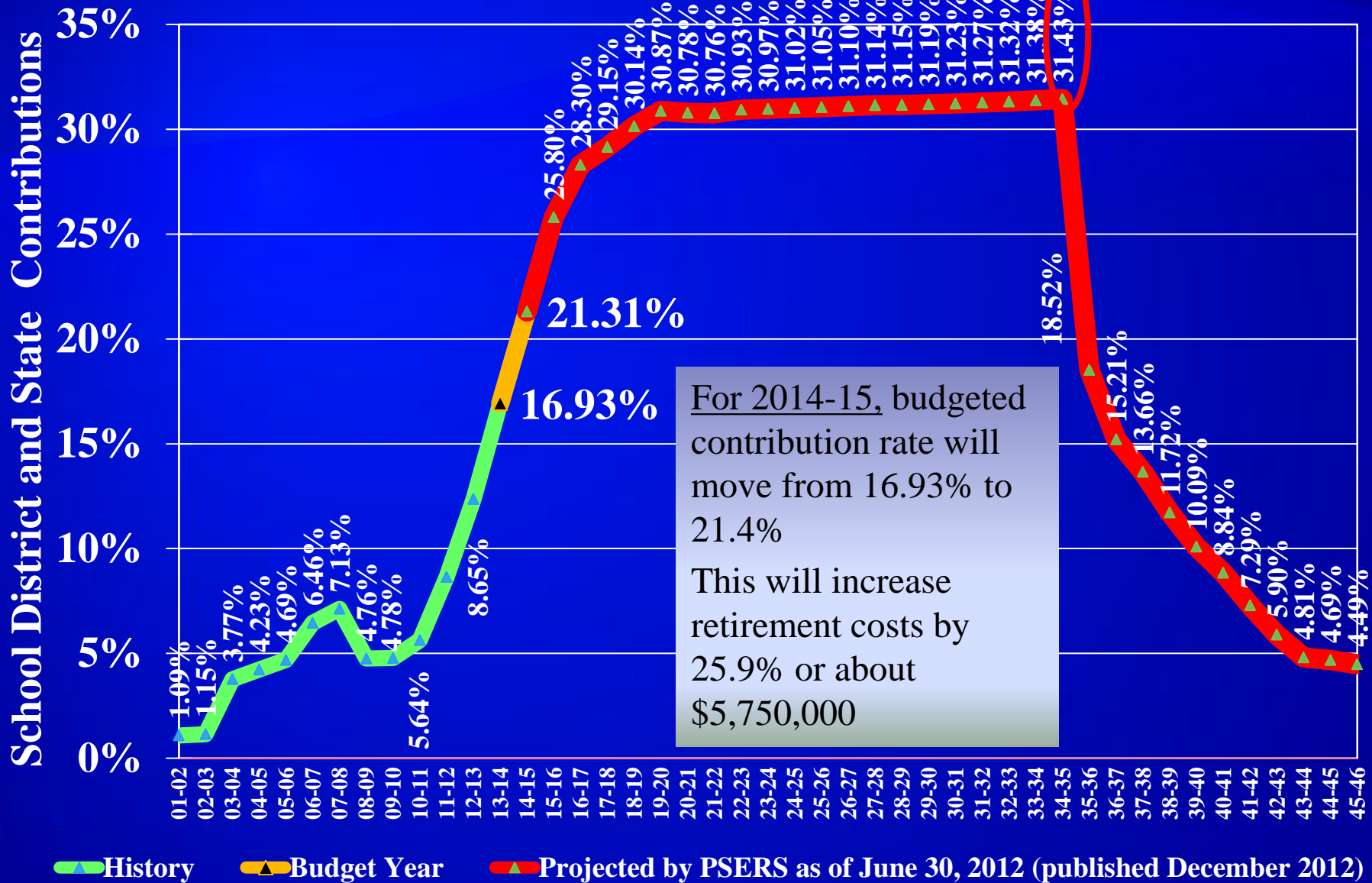
Major Goals for the 2014-15 Budget

- ◆ Keep tax increases at or below legislative limits 
- ◆ Provide recurring funding for technology, transportation, small and **large** capital projects 
- ◆ Prepare for the large retirement rate increases over the next 5 years 
- ◆ Look for ways to reduce health care costs 
- ◆ Explore and plan for future debt reduction 
- ◆ Provide a quality education. 

Snapshot of the Employer Retirement Contribution - as of May 2007

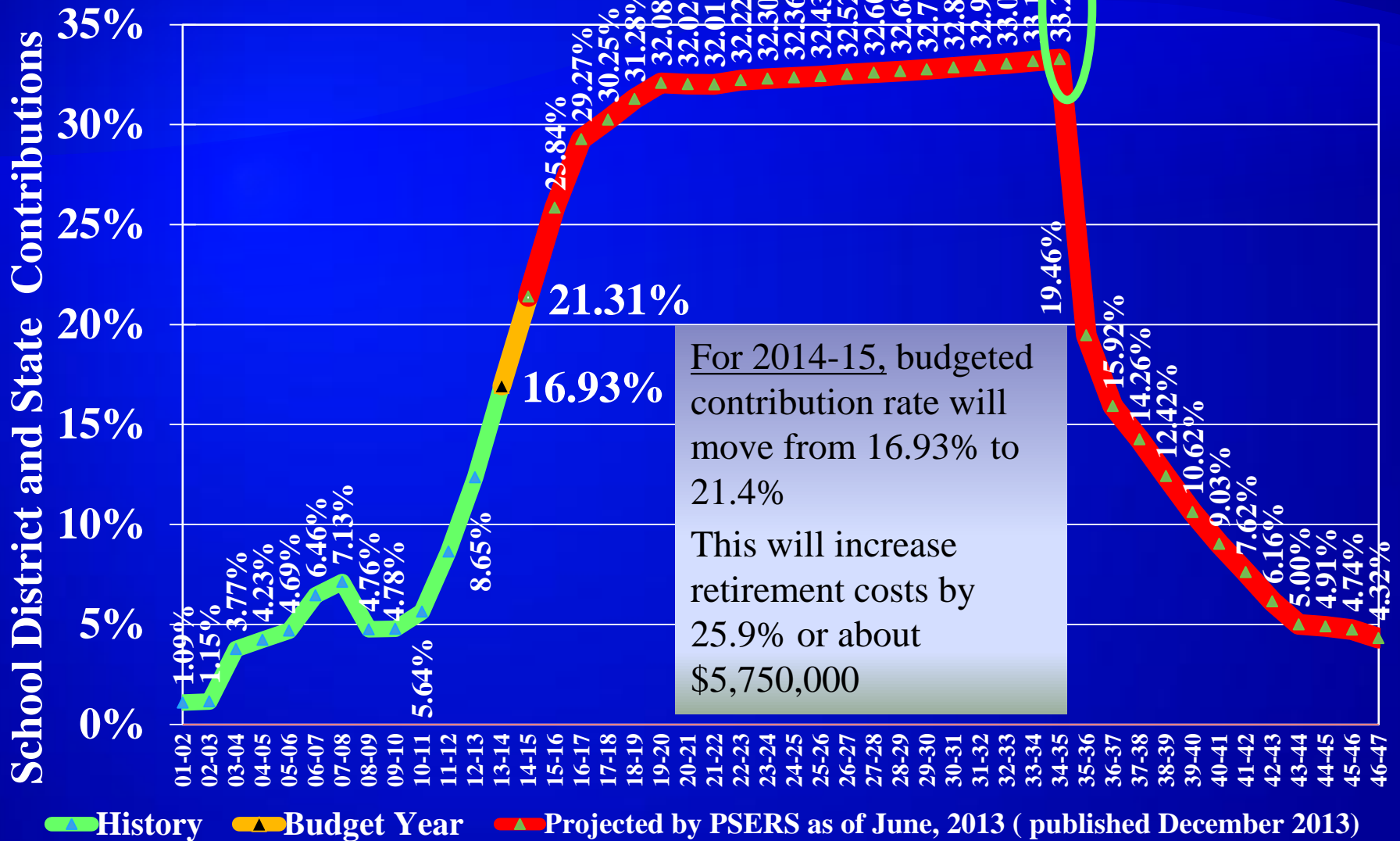


PSERS Retirement Contributions



Published
December 2013

PSERS Retirement



What Are We Doing To Address The Retirement Rate Increases?

- ◆ We have been saving for years in anticipation of higher PSERS rates just like “College Tuition”.
- ◆ We are using our savings to pay off debt ahead of schedule and permanently eliminate some of our future principal and interest payments.
- ◆ As debt principal and interest payments go down, we are better able to afford retirement system increases without major tax increases
- ◆ We anticipate being able to meet our retirement obligations which allows us to . . .
 - ◆ continue to fund academic programs and instructional initiatives; support the arts and athletics, and maintain reasonable class sizes.

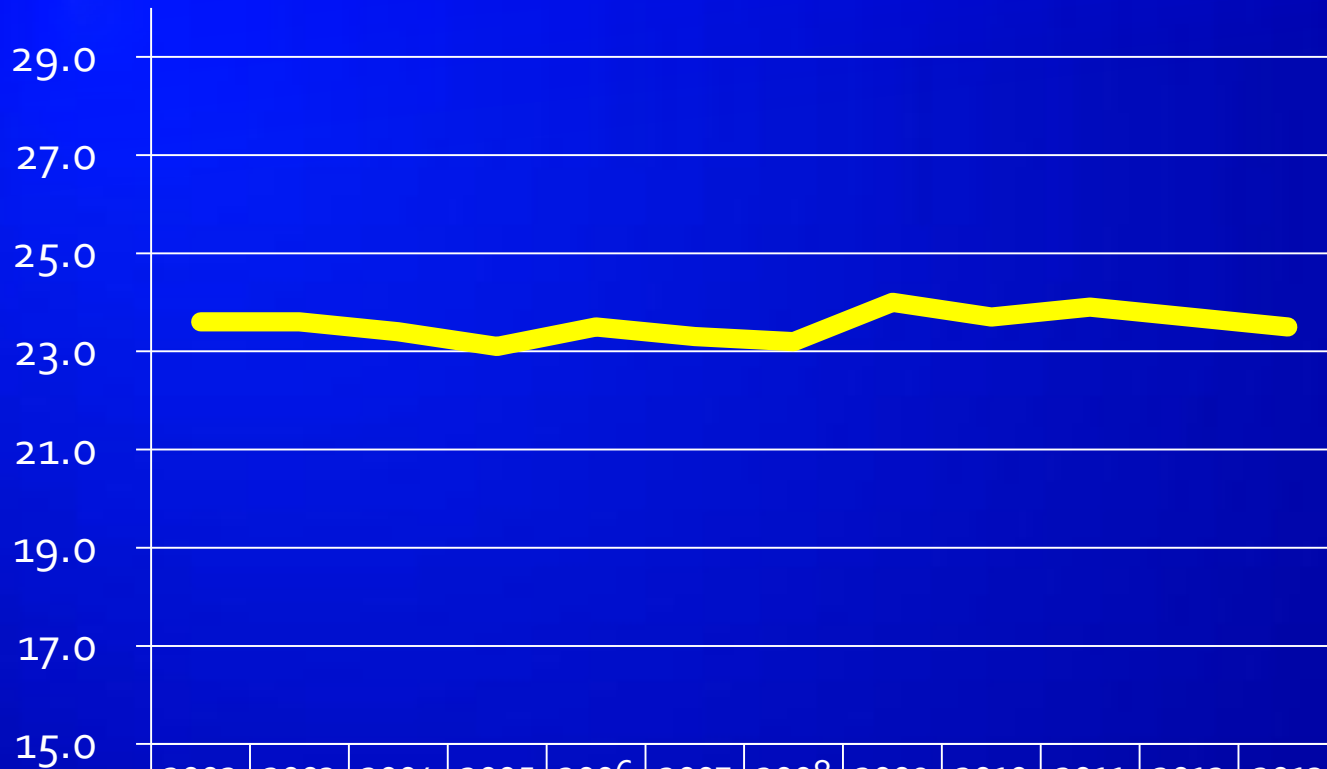
Estimated Act 1 Exception for Retirement

Act 25 of 2011 Caps the Salary Base at 2011-12 Levels \$133,209,000		Actual Dollar Value of Estimated Payments for 2013-2014	Actual Dollar Value of Estimated Payments for 2014-2015
(a)	2011-12 PSERS Salary Base	\$133,209,000	\$133,209,000
(b)	PSERS Employer Contribution Rate	16.93%	21.40%
(c)	Gross PSERS Amount for Reimbursement (a x b)	\$22,552,284	\$28,506,726
(d)	Revenue 782	\$11,276,142	\$14,253,363
(e)	Percent Share	50.00%	50.00%
(f)	Local & Fed. Salary Base	\$11,276,142	\$14,253,363
(g)	Salary Base	\$1,994,000	\$1,994,000
(h)	Expenditure Object 230 - Federal (g x b)	\$337,584	\$426,716
(i)	State & Fed Share for Fed Programs	\$168,792	\$213,358
(j)	PSERS Retirement - Preliminary Local Share (f - i)	\$11,107,350	\$14,040,005
	School District's Base Act 1 Index for 2014-2015		2.1%
(k)	Base Index multiplied by 2013-2014 budgeted school district share of payments to PSERS:		\$233,254
(l)	2014-2015 minus 2013-2014 Preliminary Local Share: (2014 j - 2013 j)		\$2,932,655
	Allowable Retirement Exception (l - k):		\$2,699,401
	Estimated millage increase due to Act 1 Exception	1.63 mills or	1.33%
	Act 1 Base Index	2.58 mills or	2.10%
	Maximum Millage Increase Allowed by Act 1	4.21 mills or	3.43%

Reminder: Applying for an Act 1 exception does not mean the district will use the exception to increase taxes.

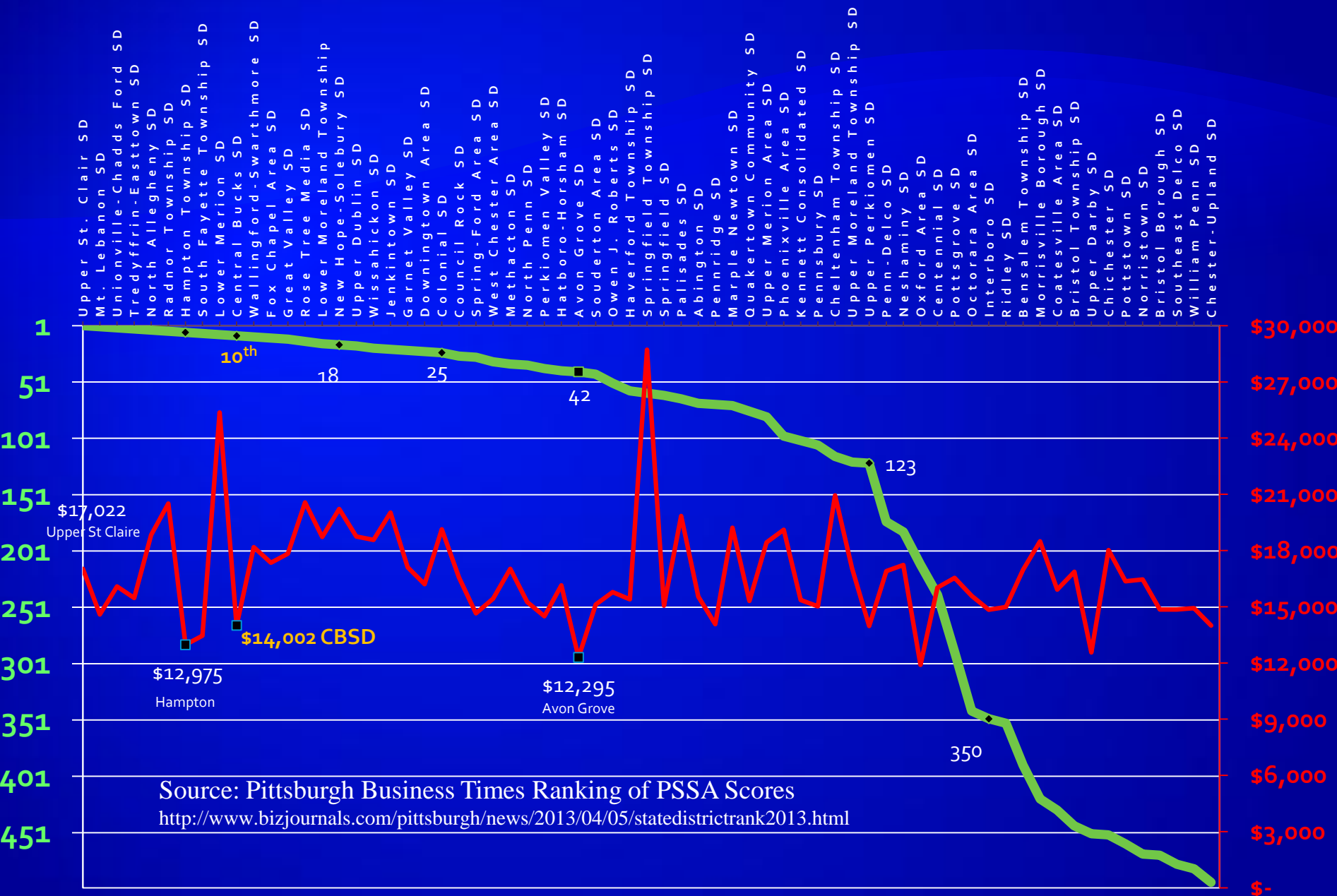
Historical Elementary Class Size

Elementary Class Size



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Elementary Class Size	23.6	23.6	23.4	23.1	23.5	23.3	23.2	24.0	23.7	23.9	23.7	23.5

Bucks, Chester, Delaware, Montgomery & Selected Allegheny



Source: Pittsburgh Business Times Ranking of PSSA Scores
<http://www.bizjournals.com/pittsburgh/news/2013/04/05/statedistrictrank2013.html>

Expense Budget

Category	2014-15	2013-14	% Change
Salaries	139,000,707	141,585,869	-1.83%
Employee Benefits	71,858,400	69,363,672	3.60%
Prof. Services, Special Ed.,EIT Tax,Legal	6,413,000	6,685,145	-4.07%
Electricity, Rentals, Repairs	5,964,900	8,571,450	-30.41%
Contracted Services, Transp., MBIT, IU, Charter Sch	20,344,506	19,800,128	2.75%
Supplies, Natural Gas, Diesel, Heating Oil	7,395,400	8,794,285	-15.91%
Equipment	1,009,500	1,151,522	-12.33%
Interest Payments on Bonds	7,551,526	10,906,911	-30.76%
Prin., Buses, Technology, Renovations, GASB 45 & Debt Pay Off	39,945,000	23,825,000	67.66%
Total budget	\$299,482,939	\$290,683,982	3.03%

Next Steps...

- ◆ Board of School Directors
 - ◆ Consideration of the 2014-15 Preliminary Expenditure Budget Adoption of \$299,482,939
 - ◆ Expenditure Increase of 3.03% or \$8,798,957
 - ◆ Retirement = \$5,750,000
 - ◆ Final Budget Adoption is Scheduled for May 28th

- ◆ Superintendent and Cabinet
 - ◆ Refine Staffing Needs
 - ◆ Refine Health Care Numbers
 - ◆ Analyze Revenue Projections
 - ◆ Analyze Expenditure Projections
 - ◆ Analyze the Governor's proposed Budget

Preliminary Budget Resolution

CENTRAL BUCKS SCHOOL DISTRICT

Resolution Approving Preliminary Budget and Authorizing Referendum Exception and Final Budget Notice

RESOLVED, by the Board of School Directors of Central Bucks School District, as follows:

1. The Proposed Preliminary Budget of the School District for the 2014- 2015 fiscal year on form PDE 2028 as presented to the School Board is adopted as a Preliminary Budget Proposal for the School District General Fund. The Administration and School Board will continue review of budget components, and the Preliminary Budget may be revised prior to adoption of a Final Budget for the 2014- 2015 fiscal year.

2. The Act 1 index applicable to the School District as calculated by the Pennsylvania Department of Education is 2.1%. The Preliminary Budget Proposal assumes that the School District will receive approval for use of one or more Act 1 real estate tax referendum exceptions. The School District shall take all steps required to obtain approval for the referendum exceptions contemplated in the Preliminary Budget Proposal, including advertising once in a newspaper of general circulation and placing on the School District internet website Act 1 Referendum Exception Notice in substantially the form as presented to the School Board.

3. The School District shall continue to make the Preliminary Budget Proposal available for public inspection, and shall make the Proposed Final Budget in its then current form available for public inspection at least 20 days before the date scheduled for adoption of the Final Budget.

4. At least 10 days before the date scheduled for adoption of the Final Budget, the Secretary

The Act 1 Base index is 2.1%

The district will apply for an Act 1 exception for retirement expenses

The final budget will be available for public inspection for 20 days

Advertise the intent to adopt a final budget 10 days prior to the meeting


Act 1 Exception Notice

CENTRAL BUCKS SCHOOL DISTRICT

Act 1 Referendum Exception Notice

Pursuant to Act 1, the Pennsylvania Department of Education publishes an index % applicable to the School District. The school district real estate tax increase for the next fiscal year is limited to the index % unless the proposed tax rate is approved by voters pursuant to a referendum or the School District qualifies for an Act 1 exception. As a result of special circumstances covered by an Act 1 referendum exception, a tax rate % increase above the index might be required to balance the School District budget for the next fiscal year. The tax to be levied is required to provide a quality education program as reflected in the School District Preliminary Budget.

The School District intends to seek approval from the Pennsylvania Department of Education as required by Act 1 for an exception allowing increase of the real estate tax as reflected in the School District Preliminary Budget. The Preliminary Budget is available for public inspection at WWW.CBSD.Org and at the School District offices, 20 Welden Drive, Doylestown, Pennsylvania.

Sharon L. Reimer, Secretary

