



2019-2020 BUDGET

Consideration to Adopt the Final Budget
June 11th, 2019



BUDGET COMPONENTS

- Revenue Review
- Expenditure Review
- Millage Impact
- Summary

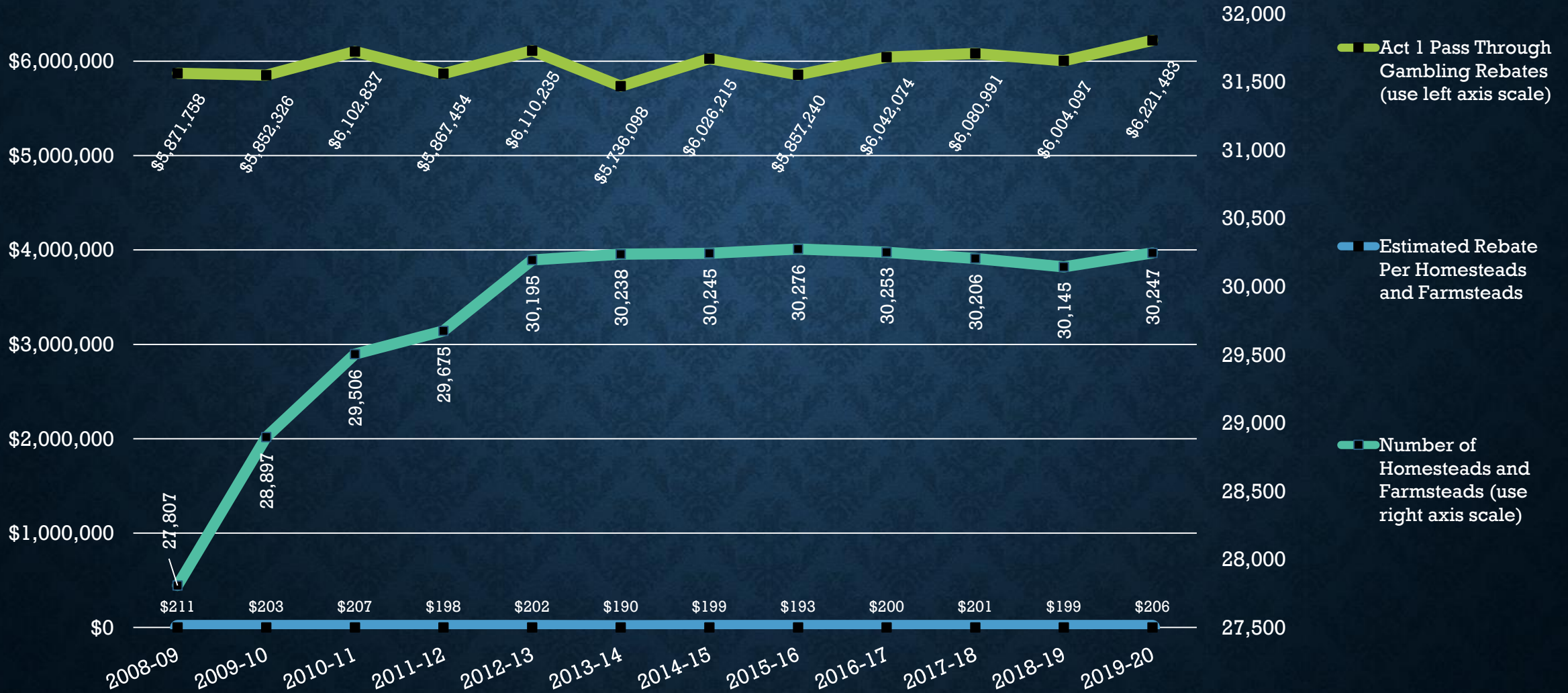


REVENUES



ACT 1 PROPERTY TAX RELIEF IN CBSD

Estimated Homeowner Rebates From State Tax on Casino Operations



R.E. TAX REVENUE FOR CBSD

Real Estate Tax Revenue Before State Gambling Rebate	\$225,996,761
Less: State Gambling Tax Relief	\$6,217,942
Less: Prior Year Undistributed Tax Relief (Act 1 Round Down)	\$3,541
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Revised Current Real Estate Tax Budgeted Revenue	\$219,775,278
Gambling Tax Relief Compared to Prior Year	\$217,386
Number of Homesteads and Farmsteads	30,247
State Gambling Relief Per Homestead & Farmstead	\$205.63
Change in State Gambling Relief per Homestead & Farmstead	\$6.57

REVENUE ADJUSTMENTS SINCE APRIL

	Budget	Proposed Final	Budget vs Proposed Final	
	FY 2019-20	FY 2019-20	\$ Change	% Change
Current Real Estate Taxes (net of discounts/penalties)	\$ 219,775,278	\$ 219,980,000	(204,722)	-0.1%
Interim Real Estate Taxes	2,369,000	2,369,000	-	0.0%
Earned Income Taxes	25,893,750	25,893,750	-	0.0%
Real Estate Transfer Taxes	5,720,000	5,720,000	-	0.0%
Delinquencies on Real Estate Taxes	1,940,000	1,940,000	-	0.0%
Delinquencies on Earned Income Taxes	750,000	750,000	-	0.0%
Interest Earnings	2,400,000	2,400,000	-	0.0%
I.D.E.A. Funds from I.U. #22	2,400,297	2,400,297	-	0.0%
Community School Programs	3,933,620	3,933,620	-	0.0%
Other Local Revenues	1,850,735	1,869,250	(18,515)	-1.0%
TOTAL LOCAL REVENUE	\$ 267,032,680	\$ 267,255,917	\$ (223,237)	-0.1%
TOTAL STATE REVENUE	\$ 72,383,878	\$ 72,160,641	\$ 223,237	0.3%
TOTAL FEDERAL REVENUE	\$ 2,832,055	\$ 2,832,055	\$ -	0.0%
GRAND TOTAL REVENUE	\$ 342,248,613	\$ 342,248,613	\$ -	0.0%

- Increased Real Estate Tax Rebate from State offset by reduced Local Real Estate Tax Revenue
- Net zero impact to total revenue budget

LOCAL SOURCES OF REVENUE FOR CBSD

Budget
FY 2019-20

Projection
FY 2018-19

19-20 vs 18-19
\$ Change % Change

LOCAL REVENUES

	<i>Budget</i> FY 2019-20	<i>Projection</i> FY 2018-19	<i>19-20 vs 18-19</i> \$ Change	<i>19-20 vs 18-19</i> % Change
Current Real Estate Taxes (net of discounts/penalties)	\$ 219,775,278	\$ 217,500,000	2,275,278	1.0%
Interim Real Estate Taxes	2,369,000	2,300,000	69,000	3.0%
Earned Income Taxes	25,893,750	25,450,000	443,750	1.7%
Real Estate Transfer Taxes	5,720,000	5,500,000	220,000	4.0%
Delinquencies on Real Estate Taxes	1,940,000	2,000,000	(60,000)	-3.0%
Delinquencies on Earned Income Taxes	750,000	750,000	-	0.0%
Interest Earnings	2,400,000	2,300,000	100,000	4.3%
I.D.E.A. Funds from I.U. #22	2,400,297	2,400,297	-	0.0%
Community School Programs	3,933,620	3,881,000	52,620	1.4%
Other Local Revenues	1,850,735	1,778,484	72,251	4.1%
TOTAL LOCAL REVENUE	\$ 267,032,680	\$ 263,859,781	\$ 3,172,899	1.2%

STATE SOURCES OF REVENUE FOR CBSD

Budget
FY 2019-20

Projection
FY 2018-19

19-20 vs 18-19
\$ Change % Change

STATE REVENUES

	<i>Budget</i> FY 2019-20	<i>Projection</i> FY 2018-19	<i>19-20 vs 18-19</i> \$ Change % Change	
Basic Instructional Subsidy	\$ 18,716,562	\$ 18,327,188	\$ 389,374	2.1%
Tuition, Wards of State, Foster Care Students	145,800	162,000	(16,200)	-10.0%
Special Education Subsidy	7,335,109	7,217,433	117,676	1.6%
Transportation Subsidy	3,229,572	3,249,804	(20,232)	-0.6%
Rental & Sinking Fund Reimbursement	1,075,508	1,085,514	(10,006)	-0.9%
Health Services	366,000	370,000	(4,000)	-1.1%
Gambling Proceeds for Real Estate Tax Reduction	6,217,942	5,994,705	223,237	3.7%
Ready to Learn Grant	1,024,042	1,024,042	-	0.0%
Social Security Payments Reimbursement	6,190,316	6,024,759	165,557	2.7%
Retirement Payments Reimbursement	28,058,027	27,444,004	614,023	2.2%
School Safety & Security Grant	25,000	25,000	-	0.0%
TOTAL STATE REVENUE	\$ 72,383,878	\$ 70,924,449	\$ 1,459,429	2.1%

FEDERAL SOURCES OF REVENUE FOR CBSD

	<i>Budget</i> FY 2019-20	<i>Projection</i> FY 2018-19	<i>19-20 vs 18-19</i> \$ Change % Change	
FEDERAL REVENUES				
Title 1 - Reading and Math	\$ 1,146,583	\$ 799,400	\$ 347,183	43.4%
Title 2 - Staff and Curriculum Development	324,177	324,177	-	0.0%
Title 3 - Limited English Proficiency	60,226	60,226	-	0.0%
Title 4 - Student Support and Enrichment	48,682	48,682	-	0.0%
Medical Assistance Reimbursement (ACCESS)	1,208,723	1,200,000	8,723	0.7%
Administrative Reimbursement for ACCESS	43,664	44,105	(441)	-1.0%
TOTAL FEDERAL REVENUE	\$ 2,832,055	\$ 2,476,590	\$ 355,465	14.4%
GRAND TOTAL REVENUE	\$ 342,248,613	\$ 337,260,820	\$ 4,987,793	1.5%

EXPENSES



EXPENSE ADJUSTMENTS SINCE APRIL

	<i>Budget FY 2019-20</i>	<i>Proposed Final FY 2019-20</i>	<i>Budget vs Proposed Final \$ Change</i>	<i>% Change</i>
EXPENDITURES				
100 Salaries	\$ 166,680,174	\$ 166,680,174	\$ -	0.0%
200 Employee Benefits	101,351,388	101,351,388	-	0.0%
300 Professional Services (Special Ed, EIT Tax Fees, Legal)	7,489,953	7,226,419	263,534	3.6%
400 Rentals, Repairs, Software Maintenance and Licensing	4,929,238	4,929,238	-	0.0%
500 Contracted Services, Trans., MBIT, BCIU, Charter	21,092,808	21,356,342	(263,534)	-1.2%
600 Supplies, Natural Gas, Diesel, Electricity, Textbooks	12,503,631	12,503,631	-	0.0%
700 Capital Equipment	493,031	493,031	-	0.0%
800 Interest Expense on Debt, Membership Dues	1,363,390	1,363,390	-	0.0%
900 Principal on Debt, Transfers to Capital Fund	26,345,000	26,345,000	-	0.0%
TOTAL EXPENDITURES	\$ 342,248,613	\$ 342,248,613	\$ -	0.0%

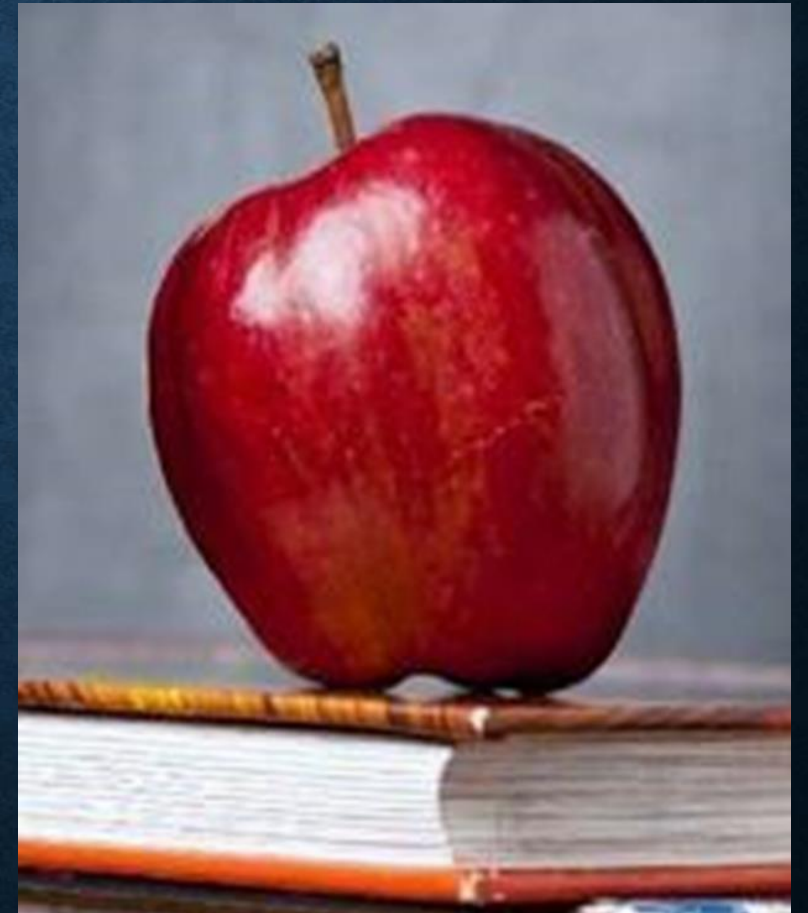
- Changes in budgeted expenditures since April related to shifts in Special Education budget
- Net zero impact to total expenditure budget

EXPENDITURES

19-20 BUDGET VS 18-19 PROJECTION

	<i>Budget</i> FY 2019-20	<i>Projection</i> FY 2018-19	<i>19-20 vs 18-19</i> \$ Change % Change	
EXPENDITURES				
100 Salaries	\$ 166,680,174	\$ 160,792,398	\$ 5,887,776	3.7%
200 Employee Benefits	101,351,388	97,668,194	3,683,194	3.8%
300 Professional Services (Special Ed, EIT Tax Fees, Legal)	7,489,953	6,559,944	930,009	14.2%
400 Rentals, Repairs, Software Maintenance and Licensing	4,929,238	5,260,008	(330,770)	-6.3%
500 Contracted Services, Trans., MBIT, BCIU, Charter	21,092,808	21,318,566	(225,758)	-1.1%
600 Supplies, Natural Gas, Diesel, Electricity, Textbooks	12,503,631	11,684,434	819,197	7.0%
700 Capital Equipment	493,031	548,594	(55,563)	-10.1%
800 Interest Expense on Debt, Membership Dues	1,363,390	3,213,682	(1,850,292)	-57.6%
900 Principal on Debt, Transfers to Capital Fund	26,345,000	29,515,000	(3,170,000)	-10.7%
TOTAL EXPENDITURES	\$ 342,248,613	\$ 336,560,820	\$ 5,687,793	1.7%

MILLAGE IMPACT



MILLAGE CALCULATION

◎ The Act 1 Real Estate Tax Increase Limit = Base Inflation Index of 2.3% + 0.5% Retirement Exception = 2.8% or 3.5 Mills

◎ The 2019-20 Proposed Millage Rate is 124.1 mills + 0.0 Mills = 124.1 Mills

◎ **0% Real Estate Tax Increase**

◎ For the Typical Homeowner Assessed @ \$40,000

◎ Assessment x 124.1 mills = Gross Tax Bill = \$4,964.00

◎ Less gambling relief = -205.63

◎ Tax bill with tax relief \$4,758.37

◎ Real estate tax bill with relief compared to the current year = - \$6.57

ACT 1 TAX INDEX + EXCEPTIONS

Year	Act 1 Index with Allowable Exceptions in Mills	CBSD Millage Rate	Millage Increase	% Increase in Millage Rate	Status
2007-08	5.9	105.87	3.8	3.47%	Actual
2008-09	5.6	110.50	4.6	4.37%	Actual
2009-10	5.4	114.80	4.3	3.89%	Actual
2010-11	4.7	119.20	4.4	3.83%	Actual
2011-12	3.2	120.80	1.6	1.34%	Actual
2012-13	3.6	122.80	2.0	1.66%	Actual
2013-14	3.4	122.80	0.0	0.00%	Actual
2014-15	4.9	124.10	1.3	1.06%	Actual
2015-16	3.7	124.10	0.0	0.00%	Actual
2016-17	4.3	124.10	0.0	0.00%	Actual
2017-18	3.8	124.10	0.0	0.00%	Actual
2018-19	3.5	124.10	0.0	0.00%	Actual
2019-20	3.5	124.10	0.0	0.00%	Proposed

2019-20 FINAL BUDGET

	<i>Budget FY 2019-20</i>	<i>Projection FY 2018-19</i>	<i>19-20 vs 18-19</i>	
			<i>\$ Change</i>	<i>% Change</i>
REVENUES				
Real Estate Taxes	\$ 222,394,278	\$ 220,053,484	\$ 2,340,794	1.1%
Act 511 Taxes	31,613,750	30,950,000	663,750	2.1%
Other Local Revenue	13,024,652	12,856,297	168,355	1.3%
Basic Instructional and Operating Subsidies	18,862,362	18,489,188	373,174	2.0%
Revenue for Specific Educational Programs	7,335,109	7,217,433	117,676	1.6%
Other State Revenue	46,186,407	45,217,828	968,579	2.1%
Federal Revenue	2,832,055	2,476,590	355,465	14.4%
TOTAL REVENUES	\$ 342,248,613	\$ 337,260,820	\$ 4,987,793	1.5%
EXPENDITURES				
Salaries and Benefits	\$ 268,031,562	\$ 258,460,592	\$ 9,570,970	3.7%
Operating Expenses	46,630,901	45,470,620	1,160,281	2.6%
Debt Service and Transfers	27,586,150	32,629,608	(5,043,458)	-15.5%
TOTAL EXPENDITURES	\$ 342,248,613	\$ 336,560,820	\$ 5,687,793	1.7%
NET OPERATING BALANCE	\$ -	\$ 700,000		

- ✓ Balanced Budget of \$342,248,613
- ✓ No millage increase
- ✓ 1.5% revenue increase over current year projections
- ✓ 1.7% expenditure increase over current year projections

SUMMARY

- The Final Budget for 2019-20 is \$342,248,613
- \$5,687,793 Increase over the 2018-19 Projected Actual Expenditures
 - Salaries and benefits growing by +\$9.6M / 4%
 - New Elementary Math curriculum costing \$1.8M in 19-20
 - Debt service declining by -\$3.7M driven by defeasance
 - Reducing transfers to Capital Fund by -\$1.3M

SUMMARY CONTINUED

Budget initiatives of:

- ✓ Technology –
 - ✓ iPads and Laptops Refreshed K - 6
 - ✓ Laptop 1:1 Initiative Grades 7 and 8, Grades 9 - 11 for 2019-20
 - ✓ Wireless Initiative at the High Schools, 40% E-rate Discount
 - ✓ Replace Network Infrastructure Switches, 40% E-Rate Discount
 - ✓ Replace Interactive Whiteboards with Teacher Laptops
- ✓ Professional Development on New Elementary Math Program
- ✓ Continuing to Improve the Infrastructure of our Schools
- ✓ Meeting the Needs of our Special Education Students
- ✓ Focus on Social and Emotional Wellness
- ✓ Focus on School Security and Mental Health

NEXT STEPS FOR JUNE 11TH

◎ Board of School Directors

- Consideration to adopt the 2019-20 Final Budget in the amount of \$342,248,613
- Consideration to adopt the resolution for the 2019-20 Homestead and Farmstead real estate tax relief of \$205.63
- Consideration to adopt the taxing resolution for real estate, earned income, and electric utilities

CENTRAL BUCKS SCHOOL DISTRICT

Final Budget for General Fund Approval Resolution

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

The proposed Final Budget of the School District for the 2019-2020 fiscal year on form PDE-2028 as presented to the School Board is adopted as a Final Budget for the School District General Fund in the amount of \$342,248,613.

2019-20 Homestead and Farmstead Exclusion Resolution

RESOLVED, by the Board of School Directors of Central Bucks School District, that homestead and farmstead exclusion real estate tax assessment reductions are authorized for the school year beginning July 1, 2019 under the provisions of the Homestead Property Exclusion Program Act (part of Act 50 of 1998) and the Taxpayer Relief Act (Act 1 of 2006), as follows:

1. **Aggregate amount available for homestead and farmstead real estate tax reduction.** The following amounts are available for homestead and farmstead real estate tax reduction for the school year beginning July 1, 2019:

a. **Gambling tax funds.** The Pennsylvania Department of Education (PDE) has notified the School District that PDE will pay to the School District during the school year pursuant to Act 1, 53 P.S. § 6926.505(b), as a property tax reduction allocation funded by gambling tax funds, the amount of \$4,727,588.11.

b. **Prior year under-distribution of property tax reduction funds.** Funds are available for property tax reduction as a result of an undistributed amount remaining from property tax reduction funds PDE paid to the School District in the 2018-2019 school year. This amount from the prior year will add to the property tax reduction allocation for this school year the amount of \$3,541.10.

c. **Prior year over-distribution of property tax reduction funds.** During the 2018-2019 school year, the School District provided aggregate property tax reductions beyond the amount PDE paid to the School District for this purpose. This excess reduction from the prior year will result in deduction from the property tax reduction allocation for this school year in the amount of \$0.00.

d. **Philadelphia tax credit reimbursement funds.** PDE has notified the School District that PDE will pay to the School District during the school year pursuant to Act 1, 53 P.S. § 6926.324(3), as reimbursement for Philadelphia tax credits claimed against the School District earned income tax by School District resident taxpayers, the amount of \$1,490,354.20.

[Act 1 requires PDE to notify the School District of this amount by May 1.]

e. **Aggregate amount available.** Adding these amounts, the aggregate amount available during the school year for real estate tax reduction is \$6,221,483.41.

2. **Homestead/farmstead numbers.** Pursuant to Act 50, 54 Pa. C.S. § 8584(i), and Act 1, 53 P.S. § 6926.341(g)(3), the County has provided the School District with a certified report listing approved homesteads and approved farmsteads as follows:

a. **Homestead property number.** The number of approved homesteads within the School District is 30,129.

b. **Farmstead property number.** The number of approved farmsteads within the School District is 118.

c. **Homestead/farmstead combined number.** Adding these numbers, the aggregate number of approved homesteads and approved farmsteads is 30,247.

[The County Assessment Office is obligated to provide these numbers and a tax duplicate to the School District by May 1.]

3. **Real estate tax reduction calculation.** The school board has decided that the homestead exclusion amount and the farmstead exclusion amount shall be equal. Dividing the paragraph 1(e) aggregate amount available during the school year for real estate tax reduction of \$6,221,483.41 the paragraph 2(c) aggregate number of approved homesteads and approved farmsteads of 30,247, the maximum real estate tax reduction amount applicable to each approved homestead and to each approved farmstead is \$205.69.

4. **Homestead exclusion calculation.** Dividing the paragraph 3 maximum real estate tax reduction amount of \$205.69 by the School District real estate tax rate of 124.1 mills (.1241), the maximum real estate assessed value reduction to be reflected on tax notices as a homestead exclusion for each approved homestead is \$1,657, (*rounded down to the nearest dollar per Act 1*) and the maximum real estate assessed value reduction to be reflected on tax notices as a farmstead exclusion for each approved farmstead is \$1,657.

5. **Homestead/farmstead exclusion authorization – July 1 tax bills.** The tax notice issued to the owner of each approved homestead within the School District shall reflect a homestead exclusion real estate assessed value reduction equal to the lesser of: (a) the County-established assessed value of the homestead, or (b) the paragraph 4 maximum real estate assessed value reduction of \$1,657. The tax notice issued to the owner of each approved farmstead within the School District shall reflect an additional farmstead exclusion real estate assessed value reduction equal to the lesser of: (a) the County-established assessed value of the farmstead, or (b) the paragraph 4 maximum real estate assessed value reduction of \$1,657. For purposes of this Resolution, “approved homestead” and “approved farmstead” shall mean homesteads and farmsteads listed in the report referred to in paragraph 2 above and received by the School District from the County Assessment Office on or before May 1 pursuant to Act 1, 53 P.S. § 6926.341(g)(3), based on homestead/farmstead applications filed with the County Assessment Office on or before March 1. This paragraph 5 will apply to tax notices issued based on the initial tax duplicate used in issuing initial real estate tax notices for the school year, which will be issued on or promptly after July 1, and will not apply to interim real estate tax bills.

CENTRAL BUCKS SCHOOL DISTRICT

2019-20 Annual Tax Levy Resolution

RESOLVED, by the Board of School Directors of Central Bucks School District, that taxes are levied for school purposes for the school year beginning July 1, 2019, subject to the provisions of the Local Tax Collection Law, as follows:

1. **Real estate tax.** Real estate tax of 124.1 mills (or \$12.41 per \$100 of assessment) on the assessed value of all real property taxable for school purposes in this School District. (Levied under School Code §§ 672 and 673.)
2. **Interim real estate tax.** Interim real estate tax of 124.1 mills (or \$12.41 per \$100 of assessment) on the assessed value of taxable real property, as stated in interim real estate assessment notices, that constitutes construction of a building, an improvement to a building, or other improvement to real property, not otherwise exempt from taxation. The interim real estate tax is part of the real estate tax levy, and applies to the assessed value of taxable real property not included in the initial tax duplicate used in issuing initial real estate tax notices for the school year. Tax assessors are directed to inspect and assess all taxable real property in the School District to which any improvement has been made, and to give notice of change in assessed value as required by law. The interim real estate tax applies for that proportionate part of the School District fiscal year remaining after the property was improved. (Levied under School Code § 677.1.)
3. **Utility realty used to generate electricity.** The real estate tax and the interim real estate tax apply to all real property taxable for school purposes, including all property listed in the definition of “utility realty” under § 8101-A(3) of the Public Utility Realty Tax Act, that was classified in such definition as “utility realty” prior to January 1, 2000, and that was removed from such definition effective January 1, 2000, because used in generating electricity. The tax applies to such property to the maximum extent permissible under the Pennsylvania Constitution and the Public Utility Realty Tax Act.
4. **Tax due date/delinquent status.**
 - a. The real estate tax is due and payable on July 1, 2019, and this will be the date of the tax notice issued to the owner for real estate tax other than interim real estate tax. Unless installment payment has been elected under the Central Bucks School District Real Estate Tax Installment Payment Plan, the real estate tax is delinquent if not paid in full within four (4) months after the date of the tax notice issued to the owner – by October 31, 2019, for tax other than interim real estate tax.
 - b. The interim real estate tax is due and payable on the first day of the month after the month in which any improvement or addition to real property has been made. The interim real estate tax is delinquent if not paid in full within four (4) months after the date of the tax notice issued to the owner.

5. **Discount and penalty.** All taxpayers are entitled to a discount of two percent (2%) from the amount of the real estate tax or interim real estate tax by making payment of the entire tax amount within two (2) months after the date of the tax notice – by August 31, 2019, for tax other than interim real estate tax. Unless installment payment has been elected under the Central Bucks School District Real Estate Tax Installment Payment Plan, a taxpayer will be charged a penalty of ten percent (10%) of the tax, which penalty will be added to the tax, if the tax is not paid in full within four (4) months after the date of the tax notice – by October 31, 2019, for tax other than interim real estate tax. (Discount and penalty rules established under Local Tax Collection Law, 72 P.S. § 5511.10.)
6. **Severability.** The provisions of this resolution are severable and, if any section, clause, sentence, part or provision is determined to be illegal, invalid or unconstitutional, such determination will not affect or impair any of the remaining sections, clauses, sentences, parts or provisions of this resolution. It is declared to be the intent of this school district that this resolution would have been adopted even if any such illegal, invalid or unconstitutional section, clause, sentence, part or provision had not been included in this resolution.
7. **Continuation of other taxes.** The Board has previously imposed other taxes that do not require an annual levy. Without modifying or amending such taxes in any manner, the Board ratifies continuation of the following previously imposed taxes that do not require an annual levy:
 - a. **Real estate transfer tax.** Real estate transfer tax of 1.0%. (School District receives .5%, and municipalities receive .5%. Levied under the Pennsylvania Real Estate Transfer Tax Act and the Local Tax Enabling Act, Act 511.)
 - b. **Earned income and net profits tax.** 1% School District tax levied under the Local Tax Enabling Act, Act 511;

I certify that the foregoing is a true and correct copy of a resolution adopted by the Board of School Directors at a meeting thereof legally held on June 11th, 2019.

CENTRAL BUCKS SCHOOL DISTRICT

Date June 11th, 2019

Stephanie Radcliffe
Secretary

