

# Proposed Preliminary Budget 2019-20

December 4, 2018 Board Meeting

# Introduction

- Overview of Act 1 of 2006 ( tax reform)
- Financially, how did we end this past school year, 2017-18
- Current year financial status, 2018-19
- Looking forward to the 2019-20 budget year

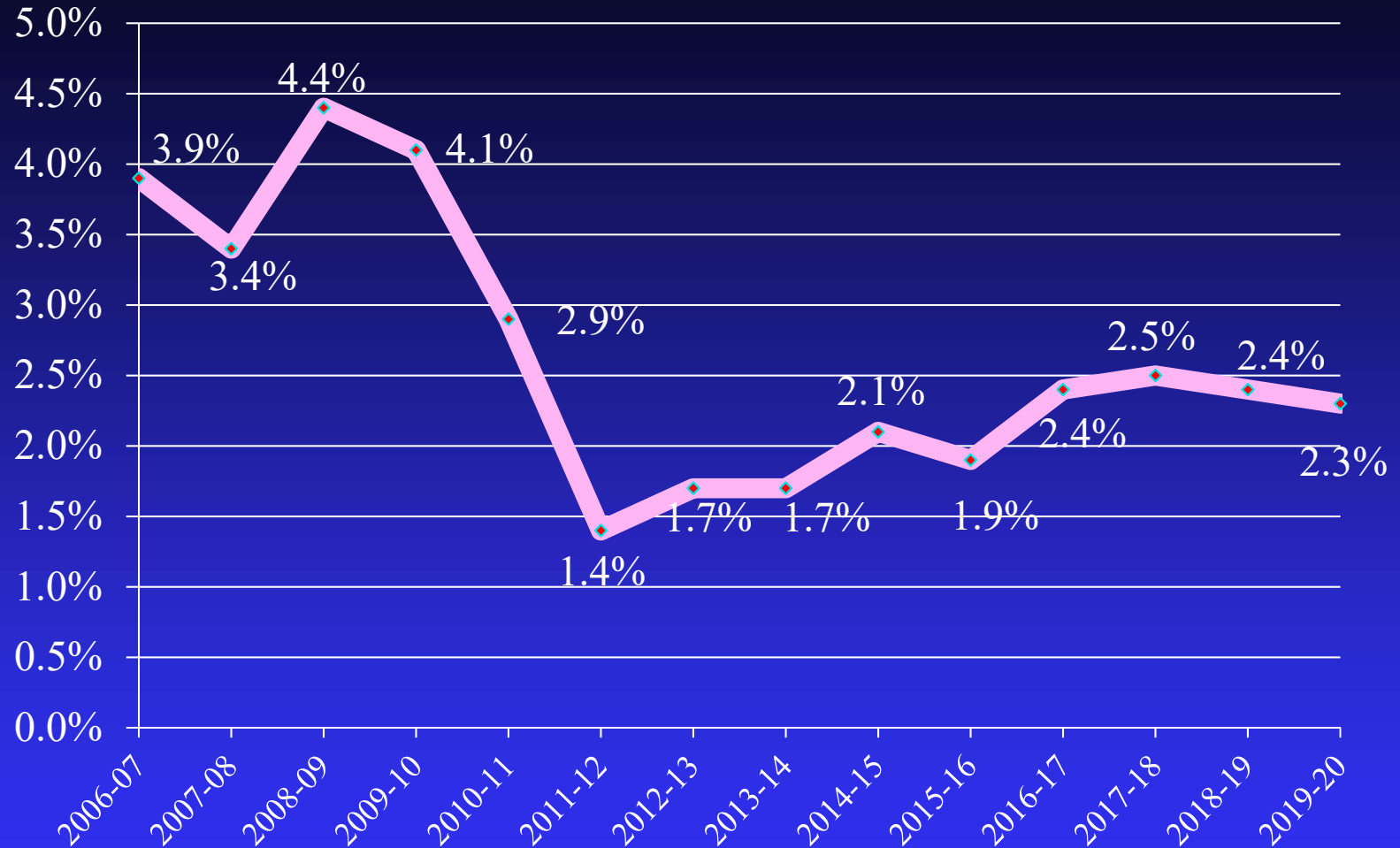
# Overview of Act 1 of 2006

- Act 1 is a law limiting real estate tax increases to an inflation formula.
- Developed by averaging the Pennsylvania State Average Weekly Wage (SAWW) and Federal Employment Cost Index (ECI) to approximate the base rate of inflation over the past 18 months.
- The Act 1 index is published each September.
- Act 1 also allows exceptions to Act 1 to allow for greater inflation growth due to factors outside the control of a school board.

# Act 1 Exceptions After Act 25 of 2011

- ~~1. Emergencies/natural disasters — approved by courts~~
- ~~2. Threats/bomb scares/terrorism — approved by courts~~
- ~~3. Court orders — special ed. awards, assessments~~
- ~~4. School Improvement Plans Required by NCLB~~
- ~~5. Enrollment growth greater than 7.5%~~
- ~~6. Health Care for contract prior to 2006~~
- ~~7. State/local revenue growth below the base index~~
- ~~8. Construction debt prior to 2006~~
9. Special Education
10. Contribution to PSERS greater than base index

# Act 1 Base Index



For 2019-20, Act 1 base index of 2.3% + estimated exceptions of .75% = 3.05% = maximum potential real estate tax increase of 3.75 mills or approximately \$6,375,000.

# 2019-20 Budget Timeline Under Act 1

October, 2018	Start the budget process with the finance committee
<b>Tuesday, December 4, 2018</b>	<b>Board approval to post preliminary budget for public inspection (20 day notice)</b>
Wednesday, December 5, 2018	Advertise Board Intent to Adopt the preliminary Budget (20 days prior)
Wednesday, January 16, 2019	County provides real estate tax assessment report
<b>Tuesday, January 22, 2019</b>	<b>Board considers preliminary budget (is the district above/below Act 1 index?)</b>
Thursday, January 24, 2019	Submit preliminary budget to PDE for inflation index compliance verification
Early February	Update on Governor's budget & potential impact on school district revenues
Friday, March 22, 2019	PDE notifies SD if their proposed tax increase is over/under the Tax Reform Limit
<b>Tuesday, April 23, 2019</b>	<b>Board approval to post "preliminary" final budget (20 day notice)</b>
Thursday, April 25, 2019	Advertise school board's intent to adopt the final budget
Wednesday, May 1, 2019	District receives county assessors report of properties eligible for homestead/farmstead real estate tax discount
<b>Tuesday, May 14, 2019</b>	<b>Primary Election Day, potential community referendum on Act 1 Tax Structure</b>
Tuesday, May 28, 2019	Final budget presentation to the Board
<b>Tuesday, June 11, 2019</b>	<b>Final Budget Adoption</b>
Sunday, June 30, 2019	Absolute last day for school board to approve a budget

# Major Sources of Local Revenues

- Real Estate Taxes
- Real Estate Transfer (0.50%)
- Interim Real Estate Taxes
- Delinquent Real Estate Taxes
- Earned Income Tax (0.50%)
- Investment Income

Local revenue accounts for 80% of all CBSD revenue, 19% from the state, 1% from federal.

# Looking Back at the Fiscal Year Just Ended



Negative Revenue Variance of \$1.7M

2017-18 Revenues

Function Description	2017-18 Revenue Budget	2017-18 Actual Receipts	Over (under) Budget	% Received
Current Real Estate	214,932,572	214,782,854	-149,718	-0.07%
Interim Real Estate	1,850,000	2,249,806	399,806	21.61%
Public Utility Realt	277,855	251,606	-26,249	-9.45%
Current Earned Income	25,347,000	24,580,718	-766,282	-3.02%
Real Estate Transfer	5,807,500	5,263,456	-544,044	-9.37%
Delinquent Real Estate	2,583,664	2,331,101	-252,563	-9.78%
Delinq Earned Income	688,100	683,437	-4,663	-0.68%
Interest Earnings	1,166,200	1,598,508	432,308	37.07%
Admissions, Ticket Sales, Fees	352,250	369,702	17,452	4.95%
Total IDEA BCIU #22	2,493,160	2,457,390	-35,770	-1.43%
Rent - District Owne	47,803	43,273	-4,530	-9.48%
Endowment Gifts & Be	535,500	260,164	-275,336	-51.42%
Total Tuition-day Sc	96,676	12,442	-84,234	-87.13%
Total Incarcerated Ed.	300,220	685,180	384,960	128.23%
Total Svcs Provided	0	0	0	>99.99%
Total Comm Sch Program	3,920,500	3,922,313	1,813	0.05%
Total Misc Revenue	61,639	52,144	-9,495	-15.40%
<b>Total Basic Instr Sub.</b>	<b>18,078,119</b>	<b>17,977,165</b>	<b>-100,954</b>	<b>-0.56%</b>
Total Tuition	225,000	133,542	-91,458	-40.65%
Total Special Education	7,208,224	7,391,105	182,881	2.54%
Public Transportation	2,506,182	2,558,235	52,053	2.08%
Non-Public Transportation	661,255	655,270	-5,985	-0.91%
Total Rental/Sinking	1,255,930	1,256,126	196	0.02%
Total Medical/Dental	370,000	363,266	-6,734	-1.82%
Property Tax Relief	6,080,991	6,080,991	0	0.00%
Ready to Learn Block Grant	1,024,042	1,024,042	0	0.00%
Total Social Security Reim.	5,856,184	5,678,615	-177,569	-3.03%
Total Retirement Reimb.	25,432,407	25,409,142	-23,265	-0.09%
Misc State Revenue	0	700	700	>99.99%
<b>Total Title I</b>	<b>649,124</b>	<b>661,331</b>	<b>12,207</b>	<b>1.88%</b>
Total Title II	0	335,906	335,906	>99.99%
Total Title III	53,208	53,132	-76	-0.14%
Total Access D/S	1,285,000	15,209	-1,269,791	-98.82%
Total Access T/S	44,550	848,254	803,704	1804.05%
		40,382		
<b>Other Financing Sources</b>	<b>619,901</b>	<b>0</b>	<b>-619,901</b>	<b>-100.00%</b>
Sale of Fixed Assets	0	50,189	50,189	>99.99%
	<b>\$331,810,756</b>	<b>\$330,076,696</b>	<b>-1,734,060</b>	<b>-0.52%</b>
<b>Operational Revenue Variance</b>			<b>-0.52%</b>	

# 2017-18 Revenues

- As compared to 2016-17, we saw improving local revenues during 2017-18.
  - ◆ Real estate tax revenues increased .9% due to assessment growth
  - ◆ Interim Real Estate Taxes increased 24.5%
  - ◆ Earned income taxes decreased - .8%
  - ◆ Real estate transfer taxes increased 12.4%
  - ◆ Overall local revenues increased 1.2%
- As compared to 2016-17, State revenues improved for 2017-18.
  - ◆ Basic instructional subsidy increased 1.5%
  - ◆ Special education subsidies increased 1.4%
  - ◆ Transportation subsidies decreased - 6.6%
  - ◆ Retirement system subsidies increased 11.7% unfortunately expenses increased
  - ◆ Overall state revenues increased 3.6% mainly due to retirement (factoring out the one-time PLANCON reimbursement of \$6M received during 2016-17).
- Federal revenues decreased by -17.9% due to federal funding of Medical ACCESS.

Expenses Exceeded Budget by \$166k, Adjust for one-time Capital Transfer of \$6.M = \$5.8M under budget.

# 2017-18 Expenses

(per annual financial report)

<u>Expenditure Summary</u>	<u>Budget Amount</u>	<u>Actual Expended</u>	<u>(over) / Under Budget Amount</u>	<u>% Spent</u>
1100 REGULAR PROGRAMS	140,618,278	137,234,674	\$3,383,604	97.6%
1200 SPECIAL ED	42,566,311	42,630,167	(\$63,856)	100.2%
1300 VOCATIONAL EDUCATION	4,799,397	4,623,029	\$176,368	96.3%
1400 OTHER INS PROG EL/SEC	3,327,515	3,594,053	(\$266,538)	108.0%
1500 OTHER INS PROG EL/SEC	-	35,839	(\$35,839)	>99.99%
1600 ADULT EDUCATION PROGRAM	-	-	\$0	>99.99%
2100 PUPIL PERSONNEL	14,100,506	13,448,285	\$652,221	95.4%
2200 INSTRUCTIONAL STAFF	12,443,043	11,909,522	\$533,521	95.7%
2300 ADMINISTRATION	14,866,549	14,485,026	\$381,523	97.4%
2400 PUPIL HEALTH	4,295,442	4,033,968	\$261,474	93.9%
2500 BUSINESS	1,848,361	1,650,274	\$198,087	89.3%
2600 OPERATIONS	24,642,901	24,320,272	\$322,629	98.7%
2700 PUPIL TRANSPORTATION	19,616,837	19,104,458	\$512,379	97.4%
2800 CENTRAL SUPPORT	3,380,281	3,947,386	(\$567,105)	116.8%
2900 OTHER SUPPORT SERVICES	238,300	223,486	\$14,814	93.8%
3200 STUDENT ACTIVITIES	4,576,075	4,710,164	(\$134,089)	102.9%
3300 COMMUNITY SERVICES	3,900,816	3,436,737	\$464,079	88.1%
5100 DEBT SERVICE	14,590,144	14,590,144	\$0	100.0%
5200 TRANSFERS TO OTHER FUNDS	22,000,000	28,000,000	(\$6,000,000)	127.3%
5900 CONTINGENCY	-	-	-	>99.99%
<b>GRAND TOTAL</b>	<b>\$331,810,756</b>	<b>\$331,977,484</b>	<b>(166,728)</b>	<b>100.1%</b>
Adjust for \$6M transfer to Capital from 2016-17 positive budget variance			<b>6,000,000</b>	
<b>Expenses under the budgeted amount</b>			<b>5,833,272.31</b>	

Excluding the one-time transfer of \$6M from the positive 2016-17 budget variance to capital funds, the District ended the 2017-2018 year:

Revenues	-\$ 1.7M vs. Budget
Operational Expenses	<u>+\$5.8M vs. Budget</u>
Operating Budget Variance	+\$4.1M vs. Budget

- ◆ Positive Operating Budget Variance of **+.6%** of the combined revenue and expense budget

# 2017-18 Financial Position

<b>Beginning Unassigned General Fund Balance as of 7/1/2017</b>	<b>\$ 21,218,834</b>	<b>6.3% of 18-19 Budget</b>
Prior Period Audit Adjustments	6,296,906	
<b>Beginning Unassigned General Fund Balance as of 7/1/2017 (as restated)</b>	<b>27,515,740</b>	<b>8.2% of 18-19 Budget</b>
Oct 2017 Transfer from General Fund Balance to Capital Reserve	-6,000,000	
Positive 2017-2018 Budget Variance	4,099,213	
Nonspendable Fund Balance: Decrease in Prepaid Healthcare	607,968	
Assigned Fund Balance: Healthcare Consortium Run-out Reserve	-2,000,000	
Assigned Fund Balance: Real Estate Tax Assessment Appeal Reserve	-1,500,000	
<b>Ending Unassigned General Fund Balance as of 6/30/2018 per AFR</b>	<b>22,722,921</b>	<b>6.7% of 18-19 Budget</b>
Proposed Transfer to Capital Fund: Long-Term Capital (Tamanend & Butler)	-11,296,119	
Proposed Transfer to Capital Fund: Technology	-750,000	
Proposed Transfer to Capital Fund: Transportation	-350,000	
<b>Ending Unassigned General Fund Balance after Board Approval of the above Proposed Transfers</b>	<b>\$ 10,326,802</b>	<b>3.1% of 18-19 Budget</b>

# 2018-19 Projected Revenues

Account Number	Function Description	2018-19 Revenue Budget	2018-19 Projected Receipts	Remaining Balance
<b>Local Revenues</b>				
1-6111-000-00-00-000-00-00	Current Real Estate	217,147,385	217,147,374	-11
1-6112-000-00-00-000-00-00	Interim Real Estate	2,100,000	2,100,000	0
1-6113-000-00-00-000-00-00	Public Utility Realt	250,000	250,000	0
1-6151-000-00-00-000-00-00	Current Earned Income	26,107,410	26,150,000	42,590
1-6153-000-00-00-000-00-00	Real Estate Transfer	5,715,628	5,710,850	-4,778
1-6411-000-00-00-000-00-00	Delinquent Real Estate	2,609,501	2,609,501	0
1-6451-000-00-00-000-00-00	Delinq Earned Income	750,000	750,000	0
1-6510-000-00-00-000-00-00	Interest Earnings	1,425,000	1,607,000	182,000
1-6710-000-00-00-000-00-00	Admissions, Ticket Sales, Fees	371,340	371,340	0
1-6832-000-00-00-000-00-00	Total IDEA BCIU #22	2,457,390	2,457,390	0
1-6910-000-00-00-000-00-00	Rent - District Owne	45,225	45,225	0
1-6920-000-00-00-000-00-00	Endowment Gifts & Be	450,000	450,000	0
1-6941-000-00-00-000-00-00	Total Tuition & Incarcer.	428,238	578,238	150,000
1-6980-000-00-00-000-00-00	Total Comm School Prog.	4,081,000	3,931,000	-150,000
1-6990-000-00-00-000-00-00	Total Misc Revenue	46,000	46,011	11
<b>State Revenues</b>				
1-7110-000-00-00-000-00-00	Total Basic Instr Sub.	18,327,188	18,327,188	0
1-7160-000-00-00-000-00-00	Total Tuition	162,000	162,000	0
1-7271-000-00-00-000-00-00	Total Special Education	7,217,433	7,217,433	0
1-7311-000-00-00-000-00-00	Public Transportation	2,558,235	2,558,235	0
1-7312-000-00-00-000-00-00	Non-Public Transportation	655,270	655,270	0
1-7320-000-00-00-000-00-00	Total Rental/Sinking	1,085,514	1,085,514	0
1-7330-000-00-00-000-00-00	Total Medical/Dental	370,000	370,000	0
1-7340-000-00-00-000-00-00	Property Tax Relief	5,994,705	5,994,705	0
1-7505-000-00-00-000-00-00	Total Pa Acct Grants	1,024,042	1,024,042	0
1-7810-000-00-00-000-00-00	Total Social Security Reim.	6,024,759	6,024,759	0
1-7820-000-00-00-000-00-00	Total Retirement Reimb.	27,444,004	27,444,004	0
<b>Federal Revenues</b>				
1-8514-000-00-00-000-00-00	Total Title I	649,124	674,640	25,516
1-8515-000-00-00-000-00-00	Total Title II	274,340	324,177	49,837
1-8516-000-00-00-000-00-00	Total Title III & 21st Century Sch	53,474	108,908	55,434
1-8810-000-00-00-000-00-00	Total Access D/S	1,272,340	1,272,340	0
1-8820-000-00-00-000-00-00	Total Access T/S	44,105	44,105	0
<b>Other Revenue Sources</b>				
1-9370-000-00-00-000-00-70	Other Financing Sources	0		0
1-9400-000-00-00-000-00-00	Sale of Fixed Assets	0	0	0
		<b>\$337,140,650</b>	<b>\$337,491,249</b>	<b>350,599</b>

# 2018-19 Revenues

- As of October 31<sup>st</sup>, revenues for 2018-19 are projected to come in approximately as budgeted.
- Local revenues are projected to be on target.
- State revenues are projected to be on target.
- Federal revenues are projected to exceed the budgeted amount by \$130,000.

# 2018-19 Expenses

## Budget Summary

### Central Bucks School District



#### Major Object Summary

	Actual FY 2013-14	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Actual FY 2017-18	Proj. Actual FY 2018-19	Forecast FY 2019-20
<b>HISTORICAL AMOUNTS</b>							
100 Personnel Services - Salaries	136,933,055	142,344,497	146,378,984	152,051,733	156,624,121	161,687,103	166,620,551
200 Personnel Services - Employee Benefits	59,426,260	68,237,505	74,748,745	88,520,817	93,050,737	98,497,678	103,673,345
300 Purchased Professional & Technical Services	5,180,981	5,357,675	5,601,706	4,821,857	5,267,673	6,309,944	6,163,195
400 Purchased Property Services	6,272,442	6,017,506	5,565,692	6,247,203	6,360,304	4,850,008	4,994,183
500 Other Purchased Services	19,554,069	19,397,963	19,640,761	20,089,690	19,856,000	21,068,566	21,942,796
600 Supplies	7,183,317	7,247,506	7,079,377	7,388,480	8,092,122	11,450,075	10,740,974
700 Property	715,909	538,326	650,257	249,047	75,789	548,594	563,276
800 Other Objects	7,703,286	7,037,889	4,748,582	4,122,786	3,670,740	3,213,682	2,747,397
900 Other Financing Uses	57,461,717	54,079,796	41,664,665	40,651,000	38,980,000	29,515,000	25,805,796
<b>GRAND TOTAL</b>	<b>300,431,037</b>	<b>310,258,663</b>	<b>306,078,770</b>	<b>324,142,613</b>	<b>331,977,484</b>	<b>337,140,650</b>	<b>343,251,512</b>
Budget % Change Over Prior Year		3.27%	(1.35%)	5.90%	2.42%	1.56%	1.81%
Budget \$ Change Over Prior Year		9,827,625	(4,179,893)	18,063,844	7,834,871	5,163,166	6,110,862

**2018-19 Budget is \$337,140,650**

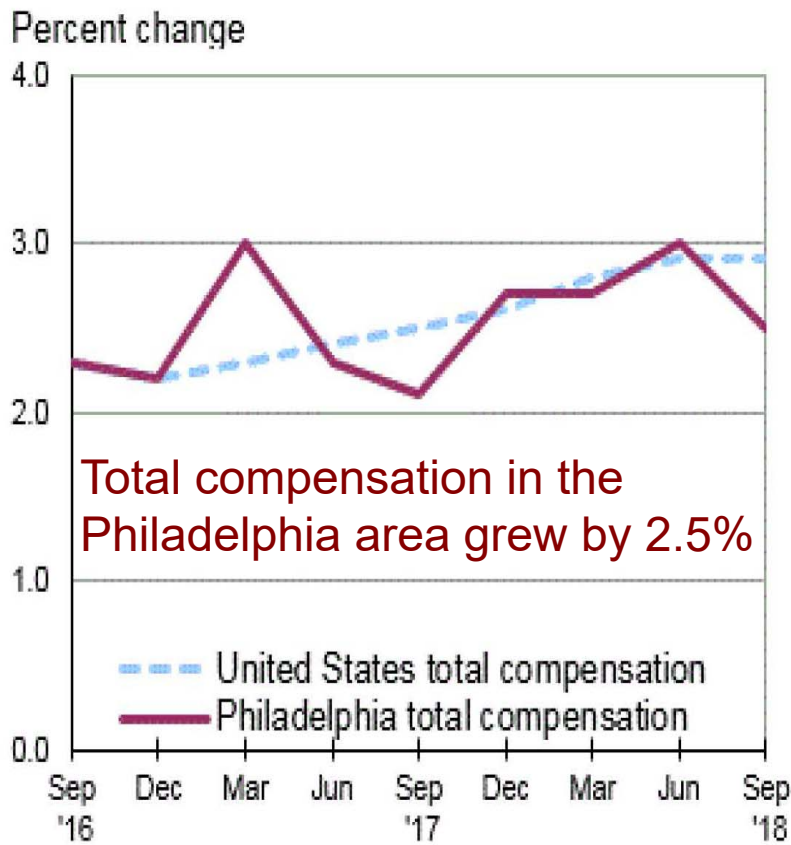


# 2018-19 Expenses

## *Potential Variances*

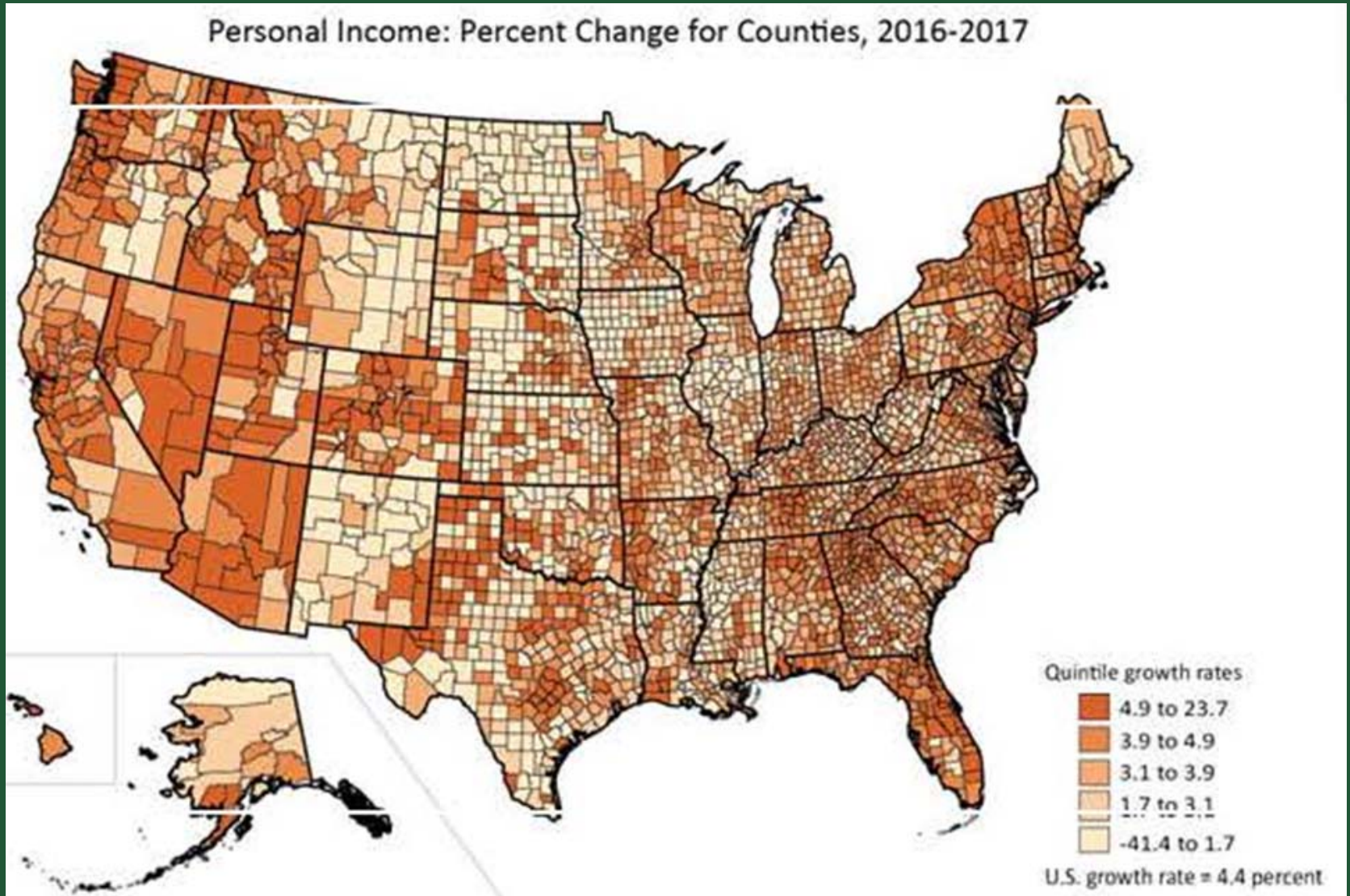
- ◆ Health Insurance
- ◆ Prescription Plan
- ◆ Special Education Costs
- ◆ HR/Finance Software
  
- ◆ Earned income Tax Growth
- ◆ Real Estate Assessed Value Growth

- Wages in the Philadelphia Metro area increased 2.9% in the year ended September 2018. Philly ranked 10<sup>th</sup> out of the 15 U.S. metro areas in wage growth.



Source: U.S. Bureau of Labor Statistics.

Personal income increased in 2,787 counties, decreased in 318, and was unchanged in 8 in 2017. Personal income increased 4.5 percent in the metropolitan portion of the United States and increased 3.2 percent in the nonmetropolitan portion in 2017. ([/iTable/index\\_regional.cfm](#)).



- Given the trends we are seeing in local and state revenues, we feel our initial revenue estimates appear to be reasonable at this point in time.
  - ◆ In general, the local **Bucks, Montgomery, and Chester** County unemployment rate (3.3%) continues to trend downward. Hopefully good news for EIT revenue growth (last year the local unemployment rate was 3.7%).



[https://data.bls.gov/timeseries/LAUDV423387400000003?amp%253bdata\\_tool=XGtable&output\\_view=data&include\\_graphs=true](https://data.bls.gov/timeseries/LAUDV423387400000003?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true)

# Anticipated Revenues for 2019-20 as of 10/31/18

## Local revenue

- ◆ Real estate taxes via **assessment growth** .96%
- ◆ Interim Real Estate Taxes increase via housing growth 1.0%
- ◆ Earned income taxes increase via **wage and employment growth** 2.4%
- ◆ Real estate transfer taxes via real estate sales 0.4%
- ◆ Overall local revenues are expected to increase 1.0%

## State revenues

- ◆ Basic instructional subsidy increase 2.0%
- ◆ Special education subsidy 0.5%
- ◆ Transportation subsidies increase 0.5%
- ◆ Retirement system reimbursement increase 4.2%
- ◆ Overall state revenues are expected to increase (mainly from retirement) 1.7%

## Federal revenues

- ◆ are expected to decrease -2.2%

Overall, revenues are projected to increase 1.1% or \$3,699,323

# 2019-20 Revenues

## Central Bucks School District



Concise Summary Report

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Actual FY 2017-18	Orig. Budget FY 2018-19	Forecast FY 2019-20	Forecast FY 2020-21
<b>REVENUES</b>							
Real Estate Taxes	210,319,089	212,579,896	215,273,780	217,284,266	219,497,374	221,600,235	223,748,451
Act 511 Taxes	26,795,892	28,618,799	29,472,237	29,844,175	31,823,038	32,418,791	33,090,409
Other Local Revenue	11,261,674	11,494,620	11,721,389	12,415,660	12,663,705	12,507,667	12,665,720
Basic Instructional and Operating Subsidies	16,296,886	16,954,618	17,856,821	18,110,707	18,489,188	18,839,532	19,198,826
Revenue for Specific Educational Programs	7,265,957	7,262,128	7,288,106	7,391,804	7,217,433	7,253,520	7,289,788
Other State Revenue	31,894,576	36,698,681	47,022,103	43,025,687	45,156,529	45,977,795	47,065,349
Federal Revenue	2,050,534	1,725,342	2,379,630	1,954,214	2,293,383	2,242,432	2,194,925
Other Financing Sources	12,305,900	22,815	9,537	50,189			
<b>TOTAL REVENUES</b>	<b>318,190,508</b>	<b>315,356,901</b>	<b>331,023,603</b>	<b>330,076,701</b>	<b>337,140,650</b>	<b>340,839,973</b>	<b>345,253,469</b>

2019-20 Revenues are Currently Budgeted at \$340,839,973

# 2019-20 Expenses

## Central Bucks School District



### Major Object Summary

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Actual FY 2017-18	Orig. Budget FY 2018-19	Forecast FY 2019-20	Forecast FY 2020-21
<b>HISTORICAL AMOUNTS</b>							
100 Personnel Services - Salaries	142,344,497	146,378,984	152,051,733	156,624,121	161,687,103	166,620,551	171,495,428
200 Personnel Services - Employee Benefits	68,237,505	74,748,745	88,520,817	93,050,737	98,497,678	103,673,345	107,732,512
300 Purchased Professional & Technical Services	5,357,675	5,601,706	4,821,857	5,267,673	6,309,944	6,163,195	6,237,741
400 Purchased Property Services	6,017,506	5,565,692	6,247,203	6,360,304	4,850,008	4,994,183	5,171,870
500 Other Purchased Services	19,397,963	19,640,761	20,089,690	19,856,000	21,068,566	21,942,796	22,904,110
600 Supplies	7,247,506	7,079,377	7,388,480	8,092,122	11,450,075	10,740,974	10,876,497
700 Property	538,326	650,257	249,047	75,789	548,594	563,276	566,519
800 Other Objects	7,037,889	4,748,582	4,122,786	3,670,740	3,213,682	2,747,397	2,305,356
900 Other Financing Uses	54,079,796	41,664,665	40,651,000	38,980,000	29,515,000	26,492,681	24,817,855
<b>GRAND TOTAL</b>	<b>310,258,663</b>	<b>306,078,770</b>	<b>324,142,613</b>	<b>331,977,484</b>	<b>337,140,650</b>	<b>343,938,397</b>	<b>352,107,887</b>
Budget % Change Over Prior Year	3.27%	(1.35%)	5.90%	2.42%	1.56%	2.02%	2.38%
Budget \$ Change Over Prior Year	9,827,625	(4,179,893)	18,063,844	7,834,871	5,163,166	6,797,747	8,169,490

2019-20 Expenses are Currently Budgeted at \$343,938,397

# 2019-20 Revenue & Expenses

## Central Bucks School District

Concise Summary Report



	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Actual FY 2017-18	Orig. Budget FY 2018-19	Forecast FY 2019-20	Forecast FY 2020-21
<b>REVENUES</b>							
Real Estate Taxes	210,319,089	212,579,896	215,273,780	217,284,266	219,497,374	221,600,235	223,748,451
Act 511 Taxes	26,795,892	28,618,799	29,472,237	29,844,175	31,823,038	32,418,791	33,090,409
Other Local Revenue	11,261,674	11,494,620	11,721,389	12,415,660	12,663,705	12,507,667	12,665,720
Basic Instructional and Operating Subsidies	16,296,886	16,954,618	17,856,821	18,110,707	18,489,188	18,839,532	19,198,826
Revenue for Specific Educational Programs	7,265,957	7,262,128	7,288,106	7,391,804	7,217,433	7,253,520	7,289,788
Other State Revenue	31,894,576	36,698,681	47,022,103	43,025,687	45,156,529	45,977,795	47,065,349
Federal Revenue	2,050,534	1,725,342	2,379,630	1,954,214	2,293,383	2,242,432	2,194,925
Other Financing Sources	12,305,900	22,815	9,537	50,189			
<b>TOTAL REVENUES</b>	<b>318,190,508</b>	<b>315,356,901</b>	<b>331,023,603</b>	<b>330,076,701</b>	<b>337,140,650</b>	<b>340,839,973</b>	<b>345,253,469</b>
<b>EXPENDITURES</b>							
Salaries and Benefits	210,582,001	221,127,730	240,572,550	249,674,858	260,184,781	270,293,896	279,227,940
Operating Expenses	38,599,641	38,591,231	38,855,494	39,712,482	44,326,261	44,509,635	45,864,052
Debt Service & Transfers	61,077,021	46,359,809	44,714,569	42,590,144	32,629,608	29,134,866	27,015,895
<b>TOTAL EXPENDITURES</b>	<b>310,258,663</b>	<b>306,078,770</b>	<b>324,142,613</b>	<b>331,977,484</b>	<b>337,140,650</b>	<b>343,938,397</b>	<b>352,107,887</b>
<b>NET OPERATING BALANCE</b>	<b>7,931,845</b>	<b>9,278,131</b>	<b>6,880,990</b>	<b>(1,900,782)</b>	<b>-</b>	<b>(3,098,424)</b>	<b>(6,854,418)</b>

The 2019-20 Budget is Increasing by **2.0%** compared to the 2018-19 Budgeted Expenses.  
 Current Projected Deficit as of October is **\$3.1M**.

Assumes \$15M Debt Defeasance (pre-payment of debt)



# Fund Balance – Rainy Day - Trend

Fiscal Year	Ending Unassigned Fund Balance	Unassigned Fund Balance as % of Budget , 8% Max.
2012-13	\$18,519,326	6.1%
2013-14	\$17,813,140	5.9%
2014-15	\$11,414,537	3.8%
2015-16	\$18,636,656	5.8%
2016-17	\$21,218,834	6.3%
	Add: \$6,296,906 Audit Adjustment \$27,515,740	8.2%
2017-18	\$22,722,921	6.7%
2018-19 Oct. Projection	\$10,326,802	3.1%

# Comparing 2018-19 to 2019-20 Major Expenses

■ Salaries	+\$4.9M / +3.1%
■ Retirement Contributions	+\$3.9M / +7.2%
◆ Includes adjustments for salaries	
■ Medical Benefits	+\$996K / +4.6%
■ Prescription Benefits	No Growth
■ Debt Service	-\$3M / -10.2%
◆ <b>Assumes \$15M Debt Defeasance</b>	

# Act 1 Tax Index + Exceptions

	Maximum Act 1 % Increase in the Millage	Actual % Increase in the Millage Rate	Maximum Act 1 Increase in the Millage Rate	Actual CBSD Millage Increase	CBSD Millage Rate Each Year	Status
2007-08	5.8%	3.79%	5.9	3.8	105.9	Actual
2008-09	5.3%	4.37%	5.6	4.6	110.5	Actual
2009-10	4.9%	3.89%	5.4	4.3	114.8	Actual
2010-11	4.1%	3.83%	4.7	4.4	119.2	Actual
2011-12	2.7%	1.34%	3.2	1.6	120.8	Actual
2012-13	3.0%	1.66%	3.6	2	122.8	Actual
2013-14	3.0%	0.00%	3.4	0	122.8	Actual
2014-15	4.0%	1.06%	4.9	1.3	124.1	Actual
2015-16	3.2%	0.00%	4.0	0	124.1	Actual
2016-17	3.5%	0.00%	4.3	0	124.1	Actual
2017-18	3.3%	0.00%	4.0	0	124.1	Actual
2018-19	3.2%	0.00%	4.0	0	124.1	Actual
2019-20*	3.1%	0.00%	3.8	0	124.1	Budgeted

\* Budget Goal 0 Mills

# Act 1, Budget process - Summary

- December 4<sup>th</sup>: Approval to Publicly Post Proposed Preliminary Expenditure Budget
- January 22<sup>nd</sup> : Adjust December Budget and Board Adoption of Preliminary Budget
- February, March, April: Revise Preliminary Budget
- April 23<sup>rd</sup> : Approval to Publicly Post the Proposed Final Budget
- May 28<sup>th</sup> : Final Budget Presentation
- June 11<sup>th</sup>: Final Budget Adoption & Resolutions

# Newspaper Notice

## CENTRAL BUCKS SCHOOL DISTRICT

### Preliminary Budget Notice and Act 1 Referendum Exception Notice

**NOTICE** is given that the Proposed Preliminary Budget for the General Fund of Central Bucks School District for the 2019-2020 fiscal year is available for public inspection at the school district offices, 20 Welden Drive, Doylestown, Pennsylvania, and will be presented for adoption as a Preliminary Budget Proposal at a school board meeting to be held in the Board Room of the Educational Services Center, 16 Welden Drive, Doylestown, Pennsylvania at 7:30 p.m. on January 22<sup>nd</sup>, 2019. The Preliminary Budget Proposal may be amended before adoption.

Pursuant to Act 1, the Pennsylvania Department of Education publishes an index of a percentage increase applicable to the School District. The School District real estate tax increase for the next fiscal year is limited to the index percent 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 percent 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.

\_\_\_\_\_, Secretary

# December Board Agenda Item

Asking for Board Authorization to Post the Proposed Preliminary 2019-20 Budget on the District Web Site in the Amount of \$343,938,397.

## CENTRAL BUCKS SCHOOL DISTRICT

### Resolution Authorizing Proposed Preliminary Budget Display and Advertising,

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

1. The School District shall make the Proposed Preliminary Budget available for public inspection at least 20 days before the date scheduled for adoption of the Preliminary Budget.
2. At least 10 days before the date scheduled for adoption of the Preliminary Budget, the Secretary shall advertise a Preliminary Budget Notice. The notice shall be advertised once in a newspaper of general circulation and shall be available for public inspection at the administrative offices of the School District.
3. The Act 1 base index applicable to the School District as calculated by the Pennsylvania Department of Education (PDE) is 2.3%.

This posting will launch the 2019-20 budget process.

