

Central Bucks School District

CONSIDERATION TO POST THE 2019-20
PROPOSED FINAL BUDGET
APRIL 23, 2019

Budget Components

- ① Revenue Review
- ① Expenditure Review
- ① Millage Impact
- ① Budget Summary

2019-20 CBSD Budget Snapshot (as of March 2019)

0% Tax Increase

	<i>Preliminary Final FY 2019-20</i>	<i>Projection FY 2018-19</i>	<i>19-20 vs 18-19 Difference % Change</i>	
REVENUES				
Local Revenue	\$ 267,364,139	\$ 264,314,322	\$ 3,049,817	1.2%
State Revenue	71,722,410	70,863,150	859,260	1.2%
Federal Revenue	2,242,432	2,293,383	(50,951)	-2.2%
TOTAL REVENUES	\$ 341,328,981	\$ 337,470,855	\$ 3,858,126	1.1%
EXPENDITURES				
Salaries	166,318,725	160,792,398	5,526,327	3.4%
Employee Benefits	101,585,767	98,497,678	3,088,089	3.1%
Professional Services (Special Ed, EIT Tax Fees, Legal Services)	6,463,195	6,309,944	153,251	2.4%
Rentals, Repairs, Software Maintenance and Licensing	4,994,183	4,850,008	144,175	3.0%
Contracted Services, Transportation, MBIT, BCIU, Charter	21,942,796	21,068,566	874,230	4.1%
Supplies, Natural Gas, Diesel, Electricity, Textbooks	11,140,974	11,450,075	(309,101)	-2.7%
Capital Equipment	563,275	548,594	14,681	2.7%
Membership Dues, Fees	105,212	99,074	6,138	6.2%
Interest Expense on Debt	2,636,944	3,109,444	(472,500)	-15.2%
Principal Payments on Debt	8,197,922	9,920,164	(1,722,242)	-17.4%
Transfers to Capital Fund	18,300,000	19,600,000	(1,300,000)	-6.6%
TOTAL EXPENDITURES	\$ 342,248,992	\$ 336,245,945	\$ 6,003,047	1.8%
NET OPERATING BALANCE	\$ (920,011)	\$ 1,224,910		

Textbook Budget

- 2019-20 textbook projection included two significant investments:
 - Elementary Math
 - Math in Focus
 - \$1,600,000 (total \$2,100,000 over 18-19 and 19-20)
 - Secondary Social Studies
 - \$700,000

- One-time spike in textbook costs resulted in initial budget shortfall

- In order to alleviate this spike in textbook costs, the Business Office has:
 - ✓ Moved the purchase of Secondary Social Studies textbook subscriptions to 18-19 school year to allow more time for teacher training and take advantage of better pricing
 - ✓ Accelerate portion of savings from debt defeasance from outer years to 19-20 school year to cover the remaining shortfall

- CBSD is taking steps to help ensure this situation does not happen again by staggering curriculum review cycles and textbook adoption timelines

- Going forward, the Business Office will work with curriculum supervisors to ensure there is a feasible long-term plan in place

2019-20 CBSD Budget Snapshot

Revisions from March 2019

Category	Change (\$)
Revenues:	
PlanCon Reimbursement (due to Defeasance)	+ 460,000
Federal Title I Program	+ 490,000
Other Revenue Changes	- 30,000
Total Change in Revenues	+ 920,000
Expenditures:	
Additional Savings from Debt Defeasance	- 1,500,000
District-Wide Energy Budget Decrease	- 480,000
Textbook Budget Increase	+ 1,000,000
Supplies Budget Increase	+ 800,000
Special Education Services from BCIU	+ 280,000
Other Expenditure Changes	- 100,000
Total Change in Expenditures	0
Total Positive Budget Impact	+ 920,000

2019-20 CBSD Budget Snapshot (as of April 2019)

0% Tax Increase

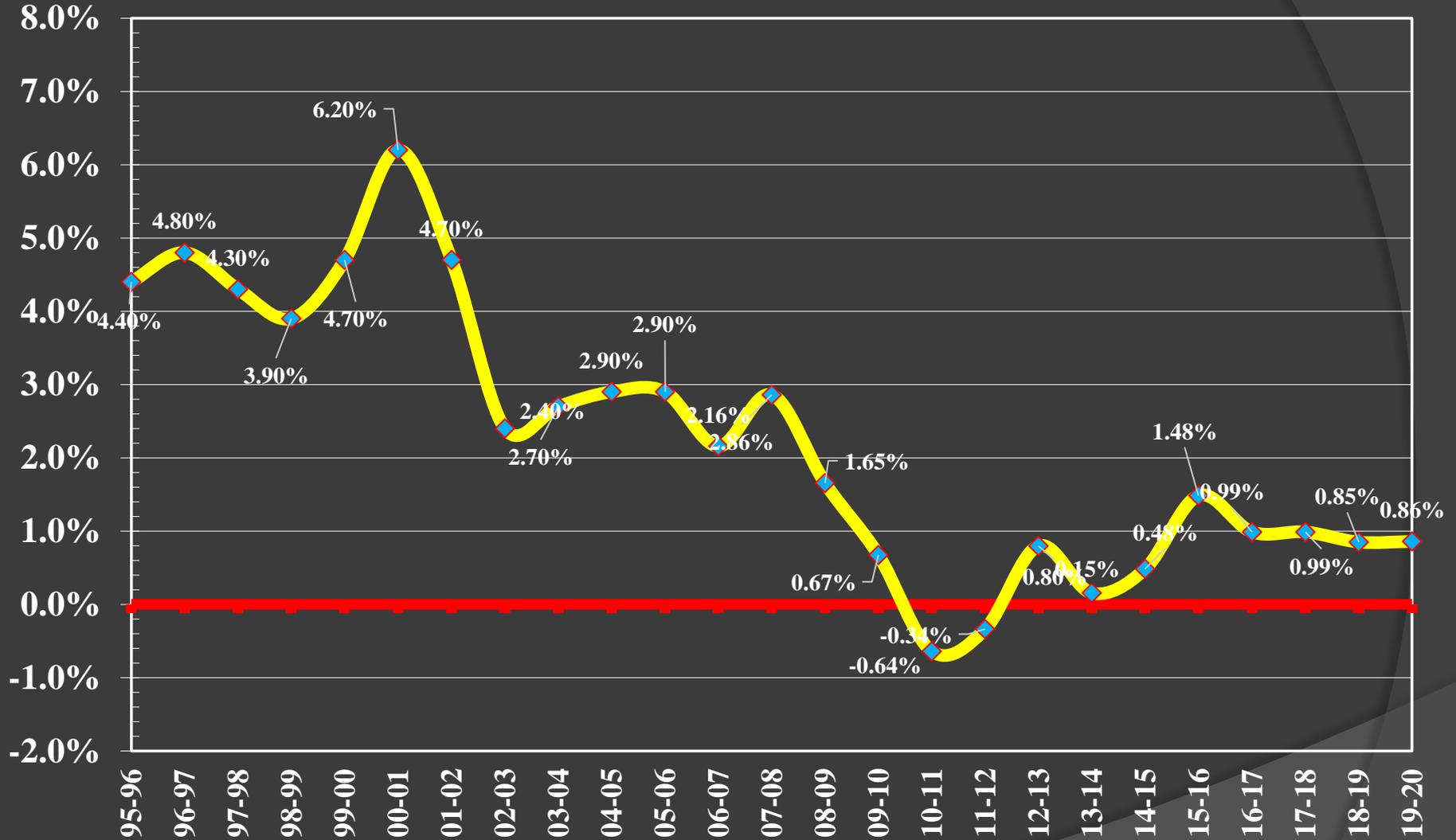
	<i>Proposed Final FY 2019-20</i>	<i>Projection FY 2018-19</i>	<i>19-20 vs 18-19 Difference % Change</i>	
REVENUES				
Local Revenue	\$ 267,255,917	\$ 264,109,781	\$ 3,146,136	1.2%
State Revenue	72,160,641	70,924,449	1,236,192	1.7%
Federal Revenue	2,832,055	2,548,930	283,125	11.1%
TOTAL REVENUES	\$ 342,248,613	\$ 337,583,160	\$ 4,665,453	1.4%
EXPENDITURES				
Salaries	\$ 166,680,174	\$ 160,792,398	\$ 5,887,776	3.7%
Employee Benefits	101,351,388	96,915,195	4,436,193	4.6%
Professional Services (Special Ed, EIT Tax Fees, Legal Services)	7,226,419	6,309,944	916,475	14.5%
Rentals, Repairs, Software Maintenance and Licensing	4,929,238	5,260,008	(330,770)	-6.3%
Contracted Services, Transportation, MBIT, BCIU, Charter	21,356,342	21,318,566	37,776	0.2%
Supplies, Natural Gas, Diesel, Electricity, Textbooks	12,503,631	12,305,075	198,556	1.6%
Capital Equipment	493,031	548,594	(55,563)	-10.1%
Membership Dues, Fees	122,240	99,074	23,166	23.4%
Interest Expense on Debt	1,241,150	3,109,444	(1,868,294)	-60.1%
Principal Payments on Debt	8,045,000	9,920,164	(1,875,164)	-18.9%
Transfers to Capital Fund	18,300,000	19,600,000	(1,300,000)	-6.6%
TOTAL EXPENDITURES	\$ 342,248,613	\$ 336,178,462	\$ 6,070,151	1.8%
NET OPERATING BALANCE	\$ -	\$ 1,404,698		

Revenues

Local Revenues

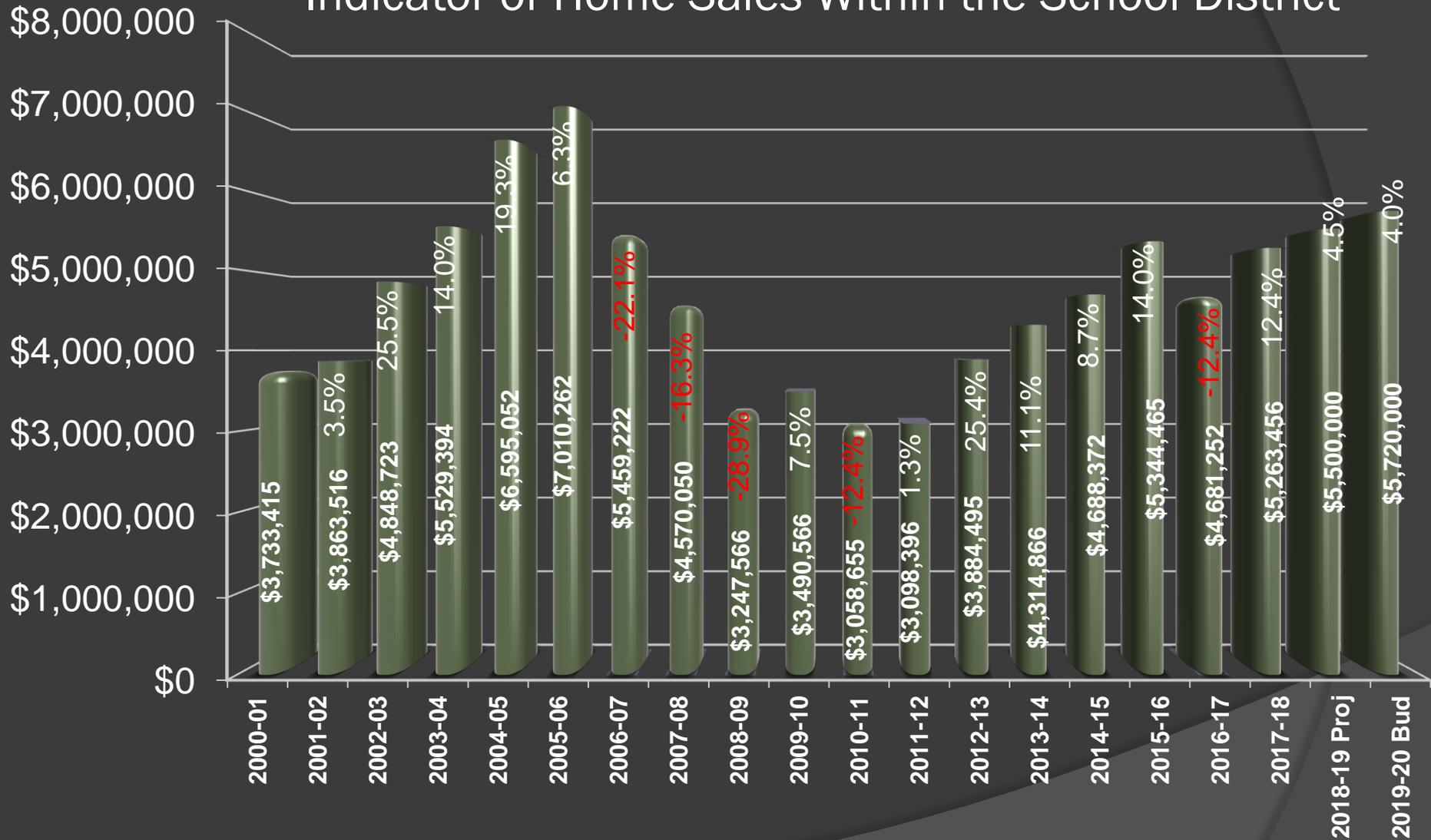
Real Estate Assessed Value Trend

Shows the general change in real estate value within a community



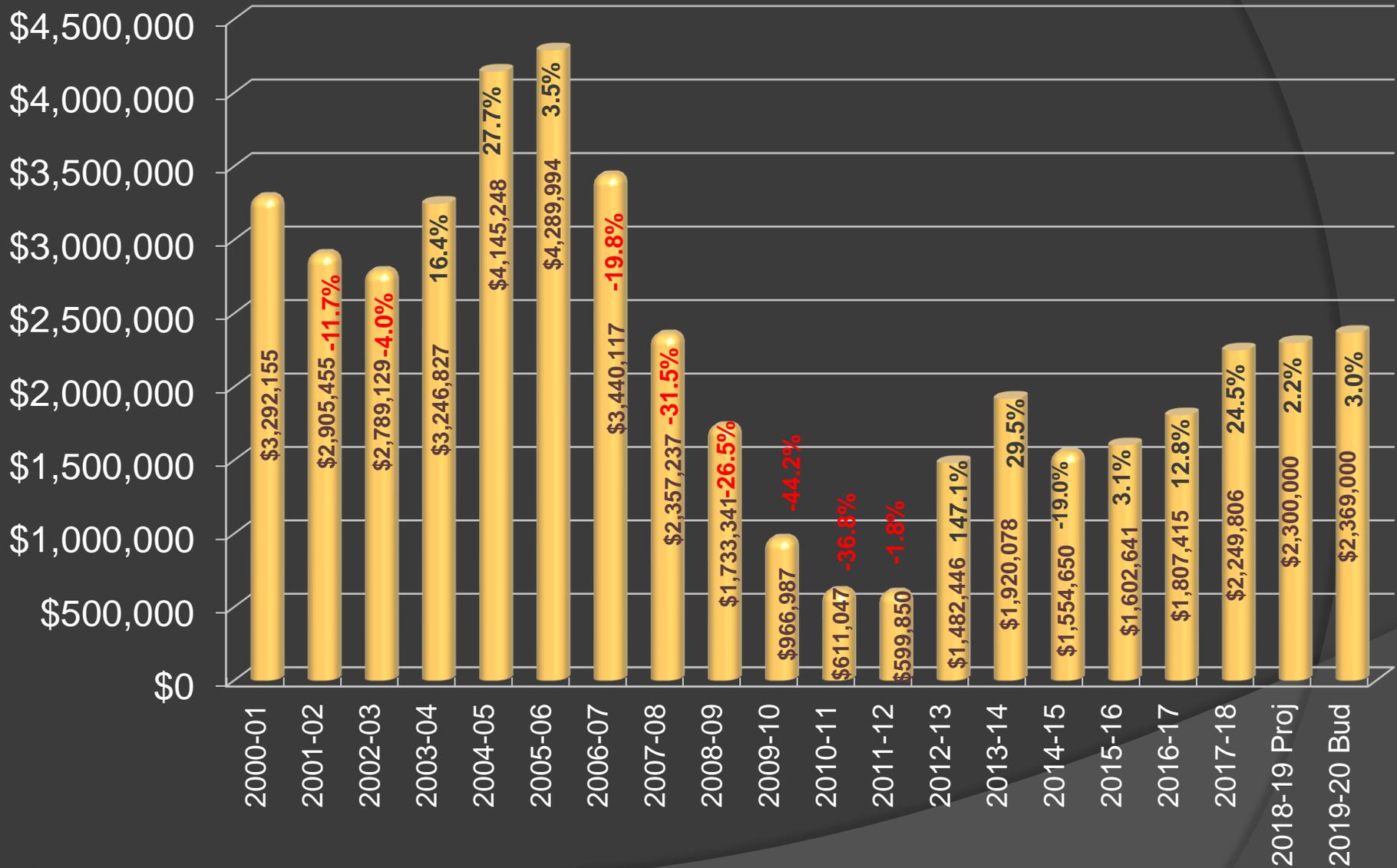
Real Estate Transfer Tax Trend

Indicator of Home Sales Within the School District



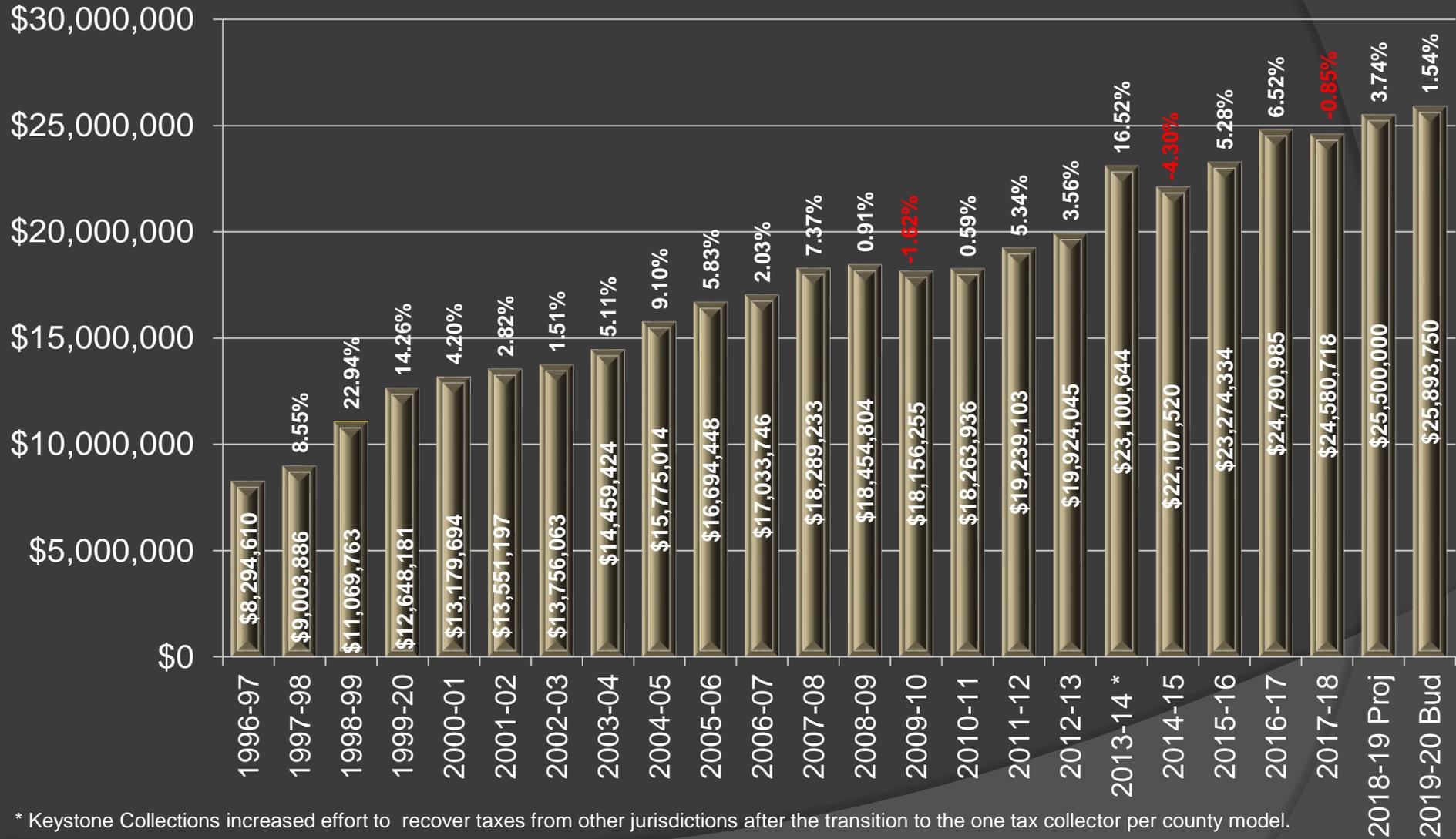
Interim Real Estate Tax Trend

Indicator of Real Estate Construction Growth Within the School District



Earned Income Tax Trend

Tax on Local Wage Earners. Indicator of Wage Growth and Employment Growth.



* Keystone Collections increased effort to recover taxes from other jurisdictions after the transition to the one tax collector per county model.

Local Sources of Revenue for CBSD

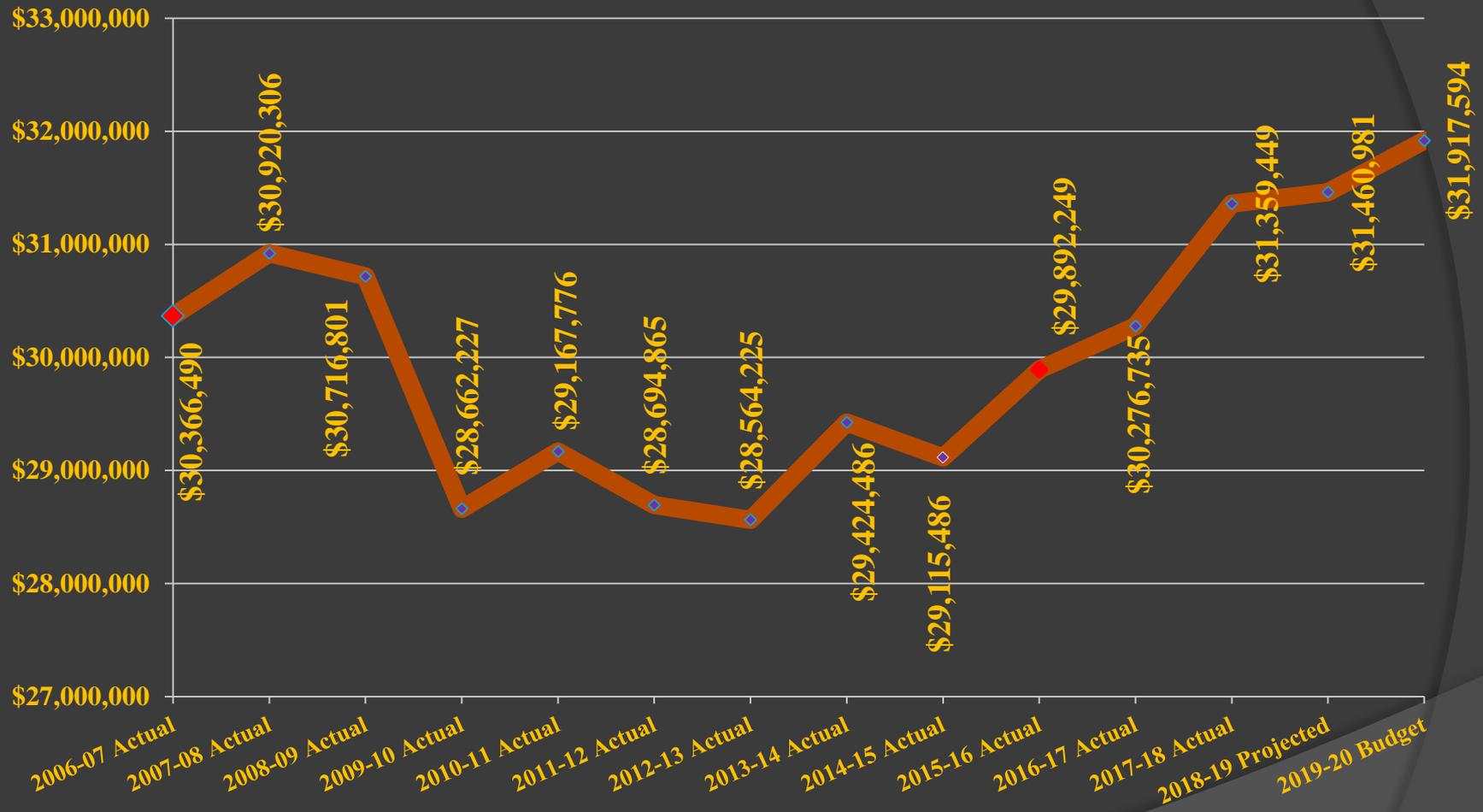
	<i>Proposed Final FY 2019-20</i>	<i>Projection FY 2018-19</i>	<i>19-20 vs 18-19 Difference % Change</i>	
LOCAL REVENUES				
Current Real Estate Taxes (net of discounts/penalties)	\$ 219,980,000	\$ 217,700,000	2,280,000	1.0%
Interim Real Estate Taxes	2,369,000	2,300,000	69,000	3.0%
Earned Income Taxes	25,893,750	25,500,000	393,750	1.5%
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	1,869,250	1,778,484	90,766	5.1%
TOTAL LOCAL REVENUE	\$ 267,255,917	\$ 264,109,781	\$ 3,146,136	1.2%

State Sources of Revenue for CBSD

	<i>Proposed Final FY 2019-20</i>	<i>Projection FY 2018-19</i>	<i>19-20 vs 18-19 Difference % Change</i>	
STATE REVENUES				
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	5,994,705	5,994,705	-	0.0%
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	\$ 72,160,641	\$ 70,924,449	\$ 1,236,192	1.7%

Historical State Revenue for CBSD

Total State Subsidies *



* Does not include retirement, FICA, gambling rebate, and one-time debt reimbursement

Federal Sources of Revenue for CBSD

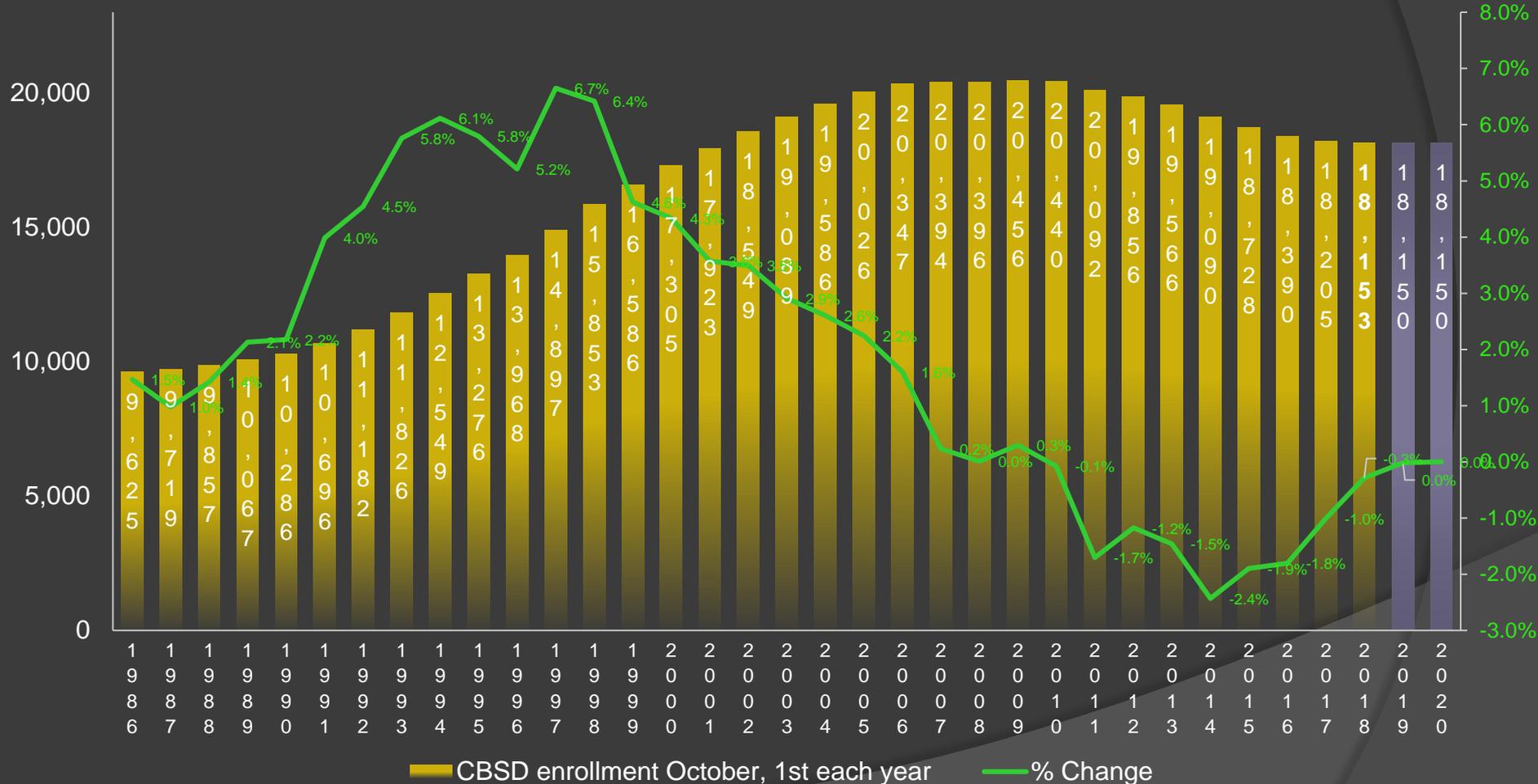
	<i>Proposed Final FY 2019-20</i>	<i>Projection FY 2018-19</i>	<i>19-20 vs 18-19 Difference % Change</i>	
FEDERAL REVENUES				
Title 1 - Reading and Math	\$ 1,146,583	\$ 799,400	\$ 347,183	43.4%
Title 2 - Staff and Curriculum Development	324,177	324,177	-	0.0%
Title 3 - Limited English Proficiency	60,226	60,226	-	0.0%
Title 4 - Student Support and Enrichment	48,682	48,682	-	0.0%
Medical Assistance Reimbursement (ACCESS)	1,208,723	1,272,340	(63,617)	-5.0%
Administrative Reimbursement for ACCESS	43,664	44,105	(441)	-1.0%
TOTAL FEDERAL REVENUE	\$ 2,832,055	\$ 2,548,930	\$ 283,125	11.1%
GRAND TOTAL REVENUE	\$ 342,248,613	\$ 337,583,160	\$ 4,665,453	1.4%

Expenses

CBSD Enrollment

Percent Change (right axis)

- Enrollment has been declining since 2009
- 2018-2019 has seen growth over the school year



CBSD Expenditure Summary

by Major Object

	Proposed Final FY 2019-20	Projection FY 2018-19	19-20 vs 18-19 Difference	% Change
EXPENDITURES				
100 Salaries	\$ 166,680,174	\$ 160,792,398	\$ 5,887,776	3.7%
200 Employee Benefits	101,351,388	96,915,195	4,436,193	4.6%
300 Professional Services (Special Ed, EIT Tax Fees, Legal)	7,226,419	6,309,944	916,475	14.5%
400 Rentals, Repairs, Software Maintenance and Licensing	4,929,238	5,260,008	(330,770)	-6.3%
500 Contracted Services, Trans., MBIT, BCIU, Charter	21,356,342	21,318,566	37,776	0.2%
600 Supplies, Natural Gas, Diesel, Electricity, Textbooks	12,503,631	12,305,075	198,556	1.6%
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	\$ 336,178,462	\$ 6,070,151	1.8%

Projected Additional Staffing for 2019-20:

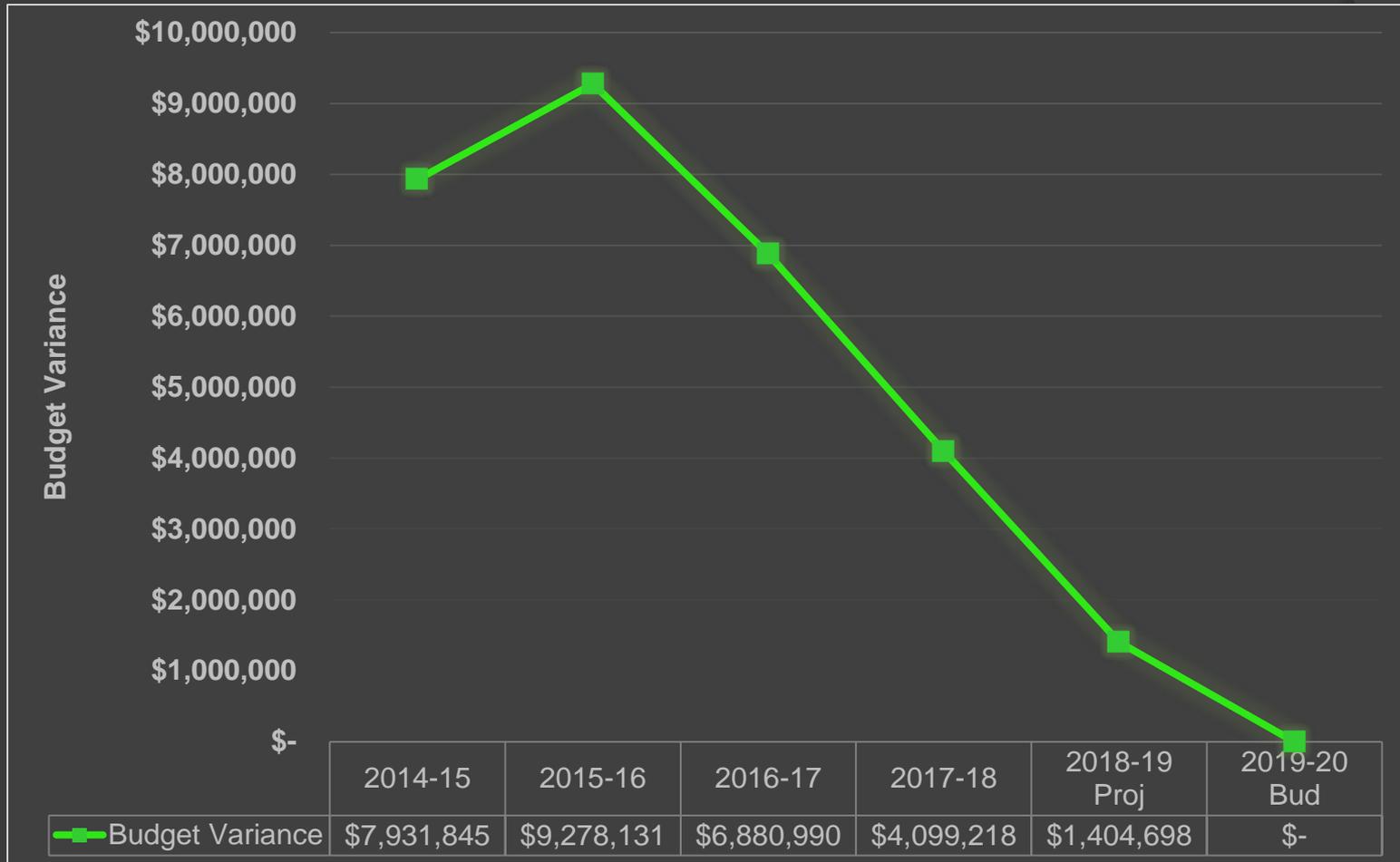
Description	FTE	Cost	Total
(4) Title I Teachers Based on New Funding	4	\$300,000	No budget Impact
Total Cost of Projected Additional Staffing			\$0

Revenue and Expense Budget Summary

Central Bucks School District

	Proposed Final FY 2019-20	Projection FY 2018-19	19-20 vs 18-19	
			Difference	% Change
REVENUES				
Real Estate Taxes	\$ 222,599,000	\$ 220,253,484	\$ 2,345,516	1.1%
Act 511 Taxes	31,613,750	31,000,000	613,750	2.0%
Other Local Revenue	13,043,167	12,856,297	186,870	1.5%
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	45,963,170	45,217,828	745,342	1.6%
Federal Revenue	2,832,055	2,548,930	283,125	11.1%
TOTAL REVENUES	\$ 342,248,613	\$ 337,583,160	\$ 4,665,453	1.4%
EXPENDITURES				
Salaries and Benefits	\$ 268,031,562	\$ 257,707,593	\$ 10,323,969	4.0%
Operating Expenses	46,630,901	45,841,261	789,640	1.7%
Debt Service and Transfers	27,586,150	32,629,608	(5,043,458)	-15.5%
TOTAL EXPENDITURES	\$ 342,248,613	\$ 336,178,462	\$ 6,070,151	1.8%
NET OPERATING BALANCE	\$ -	\$ 1,404,698		

CBSD Budget Variance Trend



The Budget Variance between Actual Revenues and Actual Expenditures continues to become tighter

Millage Impact

Millage Calculation

- There is no Proposed Millage Increase
- The Act 1 Real Estate Tax Increase Limit = Base Inflation Index of 2.3%
+.5% Retirement Exception = 2.8% or 3.5 Mills
- The 2019-20 Proposed Millage Rate is 124.1 mills =
0% Increase
- For the Typical Homeowner Assessed @ 40,000
 $= 40,000 \times 124.1 \text{ mills} = \$4,964 = \text{no increase}$

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

General Trends

- Debt Payments Declining - Reduces Budget Pressure
- Transfers to Capital Declining slightly – Reduces Budget Pressure
- General Inflation is Low - Reduces Budget Pressure
- Local Real Estate Assessed Values are Rising – Reduces Budget Pressure
- Unemployment Continues to Decline – Reduces Budget Pressure
- State Revenues Equal to Pre-Recession Levels
- Retirement Increases Starting to Moderate
- Health Insurance Costs Improving After the Consortium
- Prescription Costs Expected to Improve After Change in Provider

Summary

- ◎ The District is Committed to Continuous Improvement
 - 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.
 - Meeting the Needs of our Special Education Students
 - Professional Development on New Elementary Math Program
 - Continuing to improve the infrastructure of our schools
 - Focus on Social and Emotional Wellness
 - Focus on school security and mental health

Advertising, Resolution, and Certification

CENTRAL BUCKS SCHOOL DISTRICT

Final Budget Notice (Advertising)

NOTICE is given that the Proposed Final Budget for the General Fund of Central Bucks School District for the 2019-20 fiscal year in its most recent form is available for public inspection at the school district offices, 20 Welden Drive, Doylestown, Pennsylvania, and will be presented for adoption as a Final Budget at a school board meeting to be held in the School Board Room of the Education Support Center, 16 Welden Drive, Doylestown, Pennsylvania at 7:30 p.m. on June 11th 2019. The budget may be amended before final adoption.

_____, Secretary

CENTRAL BUCKS SCHOOL DISTRICT

Resolution Authorizing Proposed Final Budget Display and Advertising

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

1. The School District budget for the 2019-20 fiscal year as presented April 23rd, 2019 to the School Board shall be considered the Proposed Final Budget for the 2019-20 fiscal year, and shall be made available for public inspection after this date. The 2019-20 Proposed Final Budget will be updated on form PDE-2028 as soon as the form is available from the state (expected in early May) and will then be made available in that format for public inspection.
2. At least ten (10) days before the date scheduled for adoption of the Final Budget, the Secretary shall advertise the **Final Budget Notice** in substantially the form as presented to the School Board. The Notice shall be advertised once in a newspaper of general circulation and shall be posted conspicuously at the School District offices. The School Board intends to adopt the Final Budget for fiscal year 2019-20 on June 11th, 2019.

CERTIFICATION OF USE OF PDE-2028 FOR PUBLIC INSPECTION OF 2019-2020 PROPOSED BUDGET

24 PS 6-687(a)(1)

(03/2006)

School District Name : Central Bucks SD	County : Bucks	AUN Number : 122092102
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Section 687(a)(1) of the School Code requires the president of the board of school directors of each school district to certify to the Department of Education that the proposed budget was prepared, presented and will be made available for public inspection using the uniform form prepared and furnished by the Department of Education.

See Angela for this form as it is printed from the PDE 2028 database when it opens in May.

I hereby certify that the above information is accurate and complete.

SIGNATURE OF SCHOOL BOARD PRESIDENT	DATE
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DUE DATE: IMMEDIATELY FOLLOWING
ADOPTION OF PROPOSED
FINAL GENERAL FUND BUDGET

Next Steps...

◎ Board of School Directors

- Consideration to Publicly Post the 2019-20 Proposed Final Budget of \$342,248,613
 - The State Budget Form will be posted on our website over the next several days
- Consider Final Budget Adoption on June 11th

◎ Superintendent & Cabinet

- Develop Recommendations to Effectively Implement Program Initiatives

