

Proposed Preliminary Budget 2018-19

December 4, 2017 Board Meeting

Introduction

- Overview of Act 1 of 2006 (tax reform)
- Financially, how did we end this past school year, 2016-17
- Current year financial status, 2017-18
- Looking forward to the 2018-19 budget year

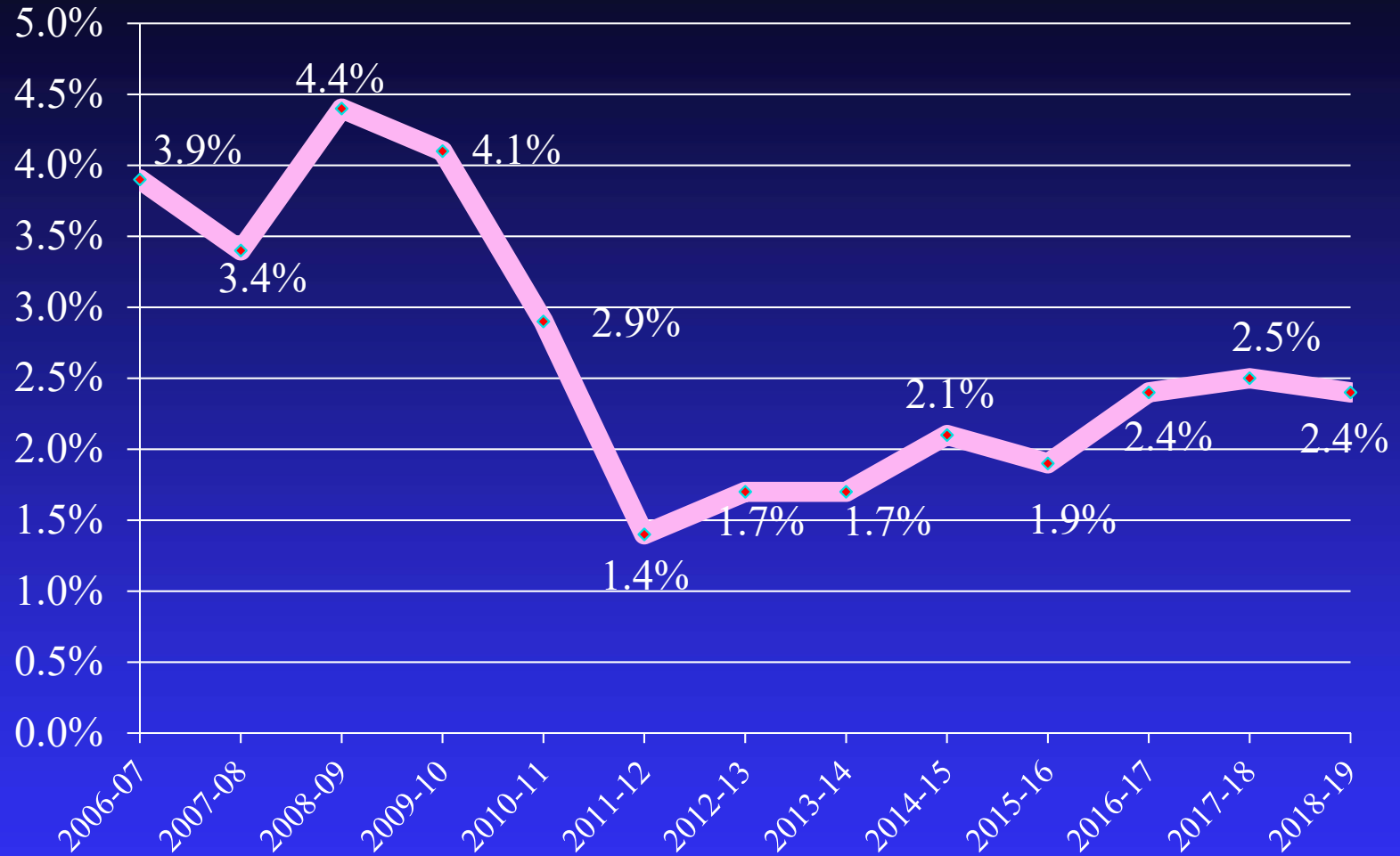
Overview of Act 1 of 2006

- 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 2018-19, Act 1 base index of 2.4% + estimated exceptions of .75% = 3.15% = maximum potential real estate tax increase.

2018-19 Budget Timeline Under Act 1

October, 2017	Start the budget process with the finance committee
Monday, December 4, 2017	Board approval to post preliminary budget for public inspection (20 day notice)
Tuesday, December 5, 2017	Advertise Board Intent to Adopt the preliminary Budget (20 days prior)
Tuesday, January 16, 2018	County provides real estate tax assessment report
Tuesday, January 23, 2018	Board considers preliminary budget (is the district above/below Act 1 index?)
Wednesday, January 24, 2018	Submit preliminary budget to PDE for inflation index compliance verification
Early February	Update on Governor's budget & potential impact on school district revenues
Thursday, March 22, 2018	PDE notifies SD if their proposed tax increase is over/under the Tax Reform Limit
Tuesday, April 24, 2018	Board approval to post "preliminary" final budget (20 day notice)
Wednesday, April 25, 2018	Advertise school board's intent to adopt the final budget
Tuesday, May 1, 2018	District receives county assessors report of properties eligible for homestead/farmstead real estate tax discount
Tuesday, May 15, 2018	Primary Election Day, potential community referendum on Act 1 Tax Structure
Tuesday, May 22, 2018	Final budget presentation to the Board
Tuesday, June 12, 2018	Final Budget Adoption
Friday, June 30, 2017	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

Positive Revenue Variance of \$12.3M Less one-time PLANCON Subsidy of \$6.6M = \$5.7M

2016-17 Revenues

Function Description	2016-17 Revenue Budget	2016-17 Actual Receipts	Over (under) Budget	% Received
Current Real Estate	212,302,642	213,127,211	824,569	100.39%
Interim Real Estate	1,850,000	1,876,806	26,806	101.45%
Public Utility Realt	242,000	269,762	27,762	111.47%
Current Earned Income	23,400,000	24,790,986	1,390,986	105.94%
Real Estate Transfer	4,900,000	4,681,252	-218,748	95.54%
Delinquent Real Estate	2,550,000	2,422,170	-127,830	94.99%
Delinq Earned Income	475,000	1,058,545	583,545	222.85%
Interest Earnings	355,000	683,124	328,124	192.43%
Admissions, Ticket Sales, Fees	350,000	349,838	-162	99.95%
Total IDEA BCIU #22	2,500,000	2,487,875	-12,125	99.52%
Rent - District Owne	50,000	43,978	-6,022	87.96%
Endowment Gifts & Be	425,000	529,170	104,170	124.51%
Total Tuition-day Sc	76,500	70,877	-5,623	92.65%
Total Incarcerated Ed.	373,500	342,574	-30,926	91.72%
Total Svcs Provided	4,500	0	-4,500	0.00%
Total Comm Sch Program	3,530,000	3,696,472	166,472	104.72%
Total Misc Revenue	61,021	36,767	-24,254	60.25%
Total Basic Instr Sub.	17,088,791	17,700,578	611,787	103.58%
Total Tuition	250,000	156,243	-93,757	62.50%
Total Special Education	7,300,000	7,288,106	-11,894	99.84%
Public Transportation	2,600,000	2,785,136	185,136	107.12%
Non-Public Transportation	682,500	657,965	-24,535	96.41%
Total Rental/Sinking	741,279	7,288,894	6,547,615	983.29%
Total Medical/Dental	375,000	364,290	-10,710	97.14%
Property Tax Relief	6,042,074	6,042,074	0	100.00%
Ready to Learn Block Grant	0	1,228,276	1,228,276	>99.99%
Total Social Security Reim.	5,491,561	5,804,651	313,090	105.70%
Total Retirement Reimb.	22,643,224	22,754,676	111,452	100.49%
Misc State Revenue	0	96,141	96,141	>99.99%
Total Title I	595,000	617,884	22,884	103.85%
Total Title II	283,000	274,340	-8,660	96.94%
Total Title III	43,000	59,653	16,653	138.73%
Total Access D/S	1,195,000	1,400,720	205,720	117.22%
Total Access T/S	0	27,033	27,033	>99.99%
Other Financing Sources	0	0	0	>99.99%
Sale of Fixed Assets	0	9,537	9,537	>99.99%
	\$318,775,592	\$331,023,602	12,248,010	103.84%
			<u>6,646,000</u>	
				<u>1.8%</u>

2016-17 Revenues

- As compared to 2015-16, we saw improving local revenues during 2016-17.
 - ◆ Real estate tax revenues increased 1.15% due to assessment growth
 - ◆ Interim Real Estate Taxes increased 17.1%
 - ◆ Earned income taxes increased 7.3%
 - ◆ Real estate transfer taxes decreased -12.4%
 - ◆ Overall local revenues increased 1.5%
- As compared to 2015-16, State revenues improved for 2016-17.
 - ◆ Basic instructional subsidy increased 5.0%
 - ◆ Special education subsidies increased 0.3%
 - ◆ Transportation subsidies grew by 1.9%
 - ◆ Retirement system reimbursements grew 20.6% unfortunately expenses increased
 - ◆ Overall state revenues increased 7.5% mainly due to retirement (factoring out the one-time PLANCON reimbursement).
- Federal revenues increased by 37.9% due to federal funding of Medical ACCESS payments returning to normal levels.

Expenses Exceeded Budget by \$5.4M, Less one-time PLANCON Transfer of \$6.6M = \$1.2M

2016-17 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	130,858,417	131,370,650	(\$512,233)	100.4%
1200 SPECIAL ED	40,939,035	40,853,626	\$85,409	99.8%
1300 VOCATIONAL EDUCATION	4,780,015	4,351,611	\$428,404	91.0%
1400 OTHER INS PROG EL/SEC	4,448,678	3,388,984	\$1,059,694	76.2%
1500 OTHER INS PROG EL/SEC	-	4,153	(\$4,153)	>99.99%
1600 ADULT EDUCATION PROGRAM	-	-	\$0	>99.99%
2100 PUPIL PERSONNEL	13,213,513	13,557,042	(\$343,529)	102.6%
2200 INSTRUCTIONAL STAFF	11,032,098	11,037,405	(\$5,307)	100.0%
2300 ADMINISTRATION	14,572,312	13,744,710	\$827,602	94.3%
2400 PUPIL HEALTH	3,873,532	4,437,434	(\$563,902)	114.6%
2500 BUSINESS	1,720,611	1,577,026	\$143,585	91.7%
2600 OPERATIONS	24,984,653	24,813,967	\$170,686	99.3%
2700 PUPIL TRANSPORTATION	19,863,885	18,913,990	\$949,895	95.2%
2800 CENTRAL SUPPORT	2,827,153	3,378,805	(\$551,652)	119.5%
2900 OTHER SUPPORT SERVICES	235,000	224,634	\$10,366	95.6%
3200 STUDENT ACTIVITIES	3,895,695	4,282,259	(\$386,564)	109.9%
3300 COMMUNITY SERVICES	3,462,801	3,492,122	(\$29,321)	100.8%
5100 DEBT SERVICE	16,068,194	16,068,194	\$0	100.0%
5200 TRANSFERS TO OTHER FUNDS	22,000,000	28,646,000	(\$6,646,000)	130.2%
5900 CONTINGENCY	-	-	-	>99.99%
GRAND TOTAL	\$318,775,592	\$324,142,610	(5,367,018)	101.7%
Adjust for \$6.6M transfer to Capital			6,600,000	
Expenses under the budgeted amount			1,232,981.53	

- After factoring out the one-time PLANCON revenue
- For 2016-17, we ended the year with an overall positive operating budget variance (revenues exceeded budget by \$5.7M and operational expenses were \$1.2M below budget) for a total of \$6.9M or 1.08% of the combined revenue and expense budget.

2016-17 Financial Position

Opening Unassigned Fund Balance July 1 2016 = AFR	\$13,997,592	a	4.2% of Budget
Positive Revenue and Expense Variance From 2016-17 Budget Operations	\$6,880,990	b	
Decrease the non-spendable fund balance for the health care consortium per consultant's recommendation	\$407,570	c	
Interest earning on Post Employment & health Benefits becomes assigned fund balance	\$67,324	d	
Positive unassigned Revenue and Expense Variance From 2016-17 Budget Operations	\$7,221,236	e = b+c-d	
Ending Unassigned Fund Balance June 30, 2017 = AFR	\$21,218,828	f = a+e	6.4% of Budget
Transfers to Captal 9/1/2017 (\$150,000 short term, \$400,000 transportation, \$5,450,000Technology)	\$6,000,000	g	
10/31/2017 Unassigned Fund Balance	\$15,218,828	h = f - g	4.59%

2017-18 Revenues

Account Number	Function Description	2017-18 Revenue Budget	2017-18 YTD Receipts	Remaining Balance
Local Revenues				
1-6111-000-00-00-000-00-00	Current Real Estate	214,932,568	192,958,799	-21,973,769
1-6112-000-00-00-000-00-00	Interim Real Estate	1,850,000	402,312	-1,447,688
1-6113-000-00-00-000-00-00	Public Utility Realt	277,855	251,606	-26,249
1-6151-000-00-00-000-00-00	Current Earned Income	25,347,000	5,947,016	-19,399,984
1-6153-000-00-00-000-00-00	Real Estate Transfer	5,807,500	1,490,007	-4,317,493
1-6411-000-00-00-000-00-00	Delinquent Real Estate	2,583,664	1,251,955	-1,331,709
1-6451-000-00-00-000-00-00	Delinq Earned Income	688,100	395,181	-292,919
1-6510-000-00-00-000-00-00	Interest Earnings	1,166,200	311,374	-854,826
1-6710-000-00-00-000-00-00	Admissions, Ticket Sales, Fees	352,250	212,349	-139,901
1-6832-000-00-00-000-00-00	Total IDEA BCIU #22	2,493,160	0	-2,493,160
1-6910-000-00-00-000-00-00	Rent - District Owne	47,803	13,724	-34,079
1-6920-000-00-00-000-00-00	Endowment Gifts & Be	535,500		-535,500
1-6941-000-00-00-000-00-00	Total Tuition & Incarcer.	621,850	200,691	-421,159
1-6980-000-00-00-000-00-00	Total Comm School Prog.	3,695,550	968,564	-2,726,986
1-6990-000-00-00-000-00-00	Total Misc Revenue	61,639	20,909	-40,730
State Revenues				
1-7110-000-00-00-000-00-00	Total Basic Instr Sub.	18,078,119	4,995,270	-13,082,849
1-7160-000-00-00-000-00-00	Total Tuition	225,000		-225,000
1-7271-000-00-00-000-00-00	Total Special Education	7,208,225	2,153,393	-5,054,832
1-7311-000-00-00-000-00-00	Public Transportation	2,506,182	1,009,487	-1,496,695
1-7312-000-00-00-000-00-00	Non-Public Transportation	661,255		-661,255
1-7320-000-00-00-000-00-00	Total Rental/Sinking	1,255,930		-1,255,930
1-7330-000-00-00-000-00-00	Total Medical/Dental	370,000		-370,000
1-7340-000-00-00-000-00-00	Property Tax Relief	6,080,991	6,080,790	-201
1-7505-000-00-00-000-00-00	Total Pa Acct Grants	1,024,042		-1,024,042
1-7810-000-00-00-000-00-00	Total Social Security Reim.	5,856,184		-5,856,184
1-7820-000-00-00-000-00-00	Total Retirement Reimb.	25,432,407		-25,432,407
Federal Revenues				
1-8514-000-00-00-000-00-00	Total Title I	649,124		-649,124
1-8515-000-00-00-000-00-00	Total Title II	0		0
1-8516-000-00-00-000-00-00	Total Title III	53,208		-53,208
1-8810-000-00-00-000-00-00	Total Access D/S	1,285,000	312,704	-972,296
1-8820-000-00-00-000-00-00	Total Access T/S	44,550		-44,550
Other Revenue Sources				
1-9370-000-00-00-000-00-70	Other Financing Sources	619,900		-619,900
1-9400-000-00-00-000-00-00	Sale of Fixed Assets	0		0
		\$331,810,756	\$218,976,132	-112,834,624

2017-18 Revenues

- As of October 31st, revenues for 2017-18 are projected to come in above what we budgeted.
- Local revenues are projected to exceed the budgeted amount by \$.5M
- State revenues are projected to exceed the budgeted amount by \$ 0M.
- Federal revenues are projected to exceed the budgeted amount by \$280k, congress funded Title II

2017-18 Expenses – initial projected actuals

Central Bucks School District

Major Object Summary



Reports

Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Proj. Actual FY 2017-18	Forecast FY 2018-19	Forecast FY 2019-20
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HISTORICAL AMOUNTS

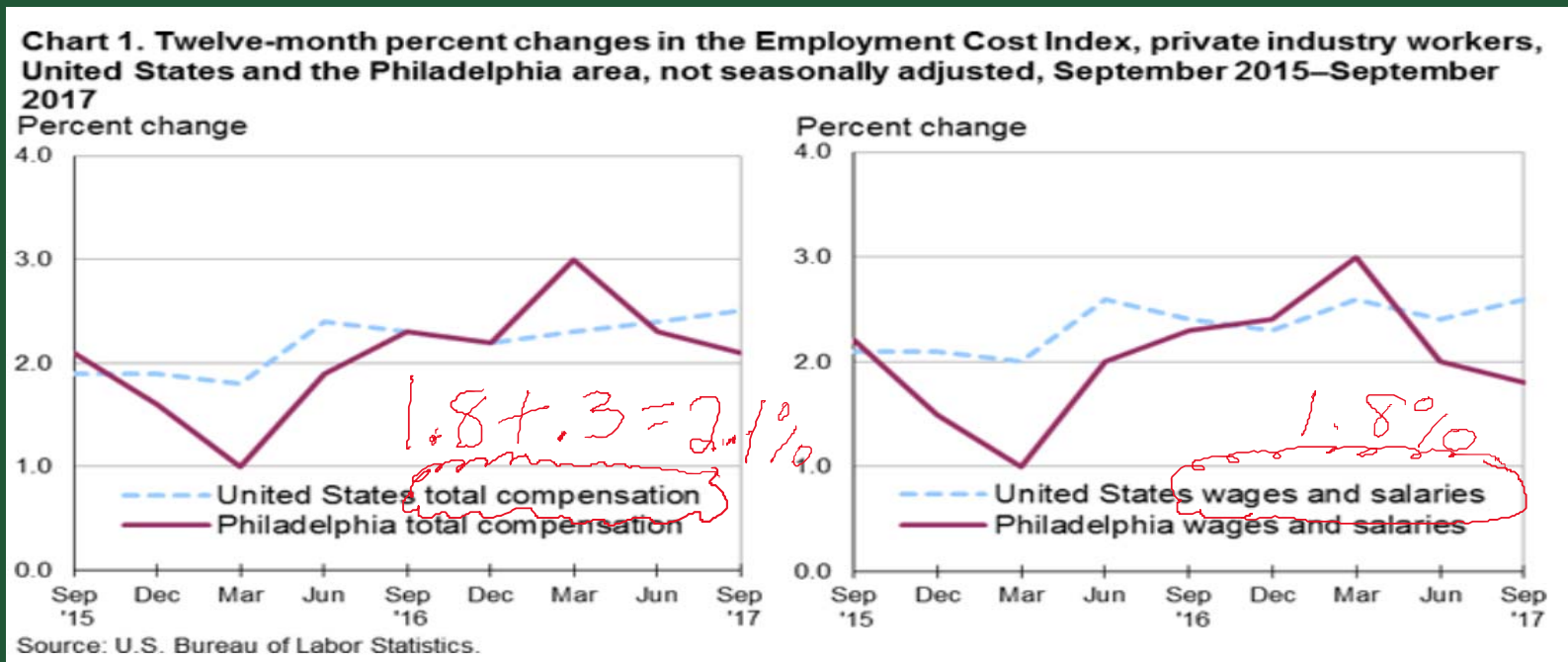
100 Personnel Services - Salaries	142,344,497	146,378,984	152,306,826	156,341,519	161,336,160	166,160,490
200 Personnel Services - Employee Benefits	68,237,505	74,748,745	88,266,092	95,899,082	100,000,248	105,949,874
300 Purchased Professional & Technical Services	5,357,675	5,601,706	4,821,488	5,407,214	5,488,153	5,586,727
400 Purchased Property Services	6,017,506	5,565,692	6,247,203	6,858,114	7,269,601	7,669,429
500 Other Purchased Services	19,397,963	19,640,761	20,089,690	20,260,557	20,706,371	21,162,116
600 Supplies	7,247,506	7,079,377	7,388,480	7,819,826	7,976,110	8,135,518
700 Property	538,326	650,257	249,047	731,239	745,039	759,789
800 Other Objects	7,037,889	4,748,582	4,122,786	3,710,459	3,211,757	2,741,304
900 Other Financing Uses	54,079,796	41,664,665	40,651,000	32,980,000	29,515,000	25,485,000
GRAND TOTAL	310,258,663	306,078,770	324,142,612	330,008,010	336,248,438	343,650,246
Budget % Change Over Prior Year	3.27%	(1.35%)	5.90%	1.81%	1.89%	2.20%
Budget \$ Change Over Prior Year	9,827,625	(4,179,893)	18,063,843	5,865,398	6,240,428	7,401,807

2017-18 Budget is \$331,810,736

As of October 31, 2017

Projected Budget Variance in Revenues	\$539,296		
Projected Budget Variance in Expenses	\$1,802,746		
Less: Budgeted Fund Balance Usage	\$619,900		
Projected Total Positive Budget Variance	\$1,722,142	0.3%	of Budgeted Revenues and Expenses
2017-18 Budget	\$331,810,756		

- Pennsylvania wage income is \$309B/yr
- Wages in the Philadelphia Metro area increased 1.8% in the year ended September 2017. Philly ranked 14th out of the 15 U.S. metro areas in wage growth.
- Benefit compensation increased by .3%



https://www.bls.gov/regions/mid-atlantic/news-release/employmentcostindex_philadelphia.htm

Pennsylvania Independent Fiscal Office

- 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 continues to trend downward. Good news for EIT revenue growth.



https://data.bls.gov/timeseries/LAUDV423387400000003?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true

Anticipated Revenues for 2018-19 as of 10/31/17

- Local revenue
 - ◆ Real estate taxes via **assessment growth** .98%
 - ◆ Interim Real Estate Taxes increase via housing growth 1.5%
 - ◆ Earned income taxes increase via **wage and employment growth** 2.3%
 - ◆ Real estate transfer taxes via real estate sales (too aggressive in 17-18 budget) 0%
 - ◆ Overall local revenues are expected to increase 1.5%

- State revenues
 - ◆ Basic instructional subsidy increase 2.0%
 - ◆ Special education subsidy .5%
 - ◆ Transportation subsidies increase .5%
 - ◆ Retirement system reimbursement increase 5.5%
 - ◆ Overall state revenues are expected to increase (mainly from retirement) 1.1%

- Federal revenues
 - ◆ are expected to increase 1.0%

- Overall, revenues are projected to increase 1.4% or \$4,578,289

2018-19 Revenues

Central Bucks School District



Concise Summary Report

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Proj. Actual FY 2017-18	Forecast FY 2018-19	Forecast FY 2019-20	Forecast FY 2020-21
REVENUES							
Real Estate Taxes	210,319,089	212,579,896	215,273,780	217,034,174	219,195,970	221,238,834	223,284,094
Act 511 Taxes	26,795,892	28,618,799	29,472,237	30,775,000	31,914,910	32,573,455	33,246,392
Other Local Revenue	11,261,674	11,494,620	11,721,389	12,395,852	12,935,706	12,667,166	12,879,934
Basic Instructional and Operating Subsidies	16,296,886	16,954,618	17,856,821	18,303,119	18,642,181	18,990,725	19,348,670
Revenue for Specific Educational Programs	7,265,957	7,262,128	7,288,106	7,208,225	7,244,266	7,280,487	7,316,890
Other State Revenue	31,894,576	36,698,681	47,022,103	43,981,900	44,343,525	46,224,731	47,653,614
Federal Revenue	2,050,534	1,725,342	2,379,630	2,306,222	2,306,223	2,255,529	2,208,284
Other Financing Sources	12,305,900	22,815	9,537				
TOTAL REVENUES	318,190,508	315,356,901	331,023,603	332,004,492	336,582,781	341,230,928	345,937,878

2018-19 Revenues are Budgeted at \$336,582,781

2018-19 Expenses

Central Bucks School District



Major Object Summary

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Proj. Actual FY 2017-18	Forecast FY 2018-19	Forecast FY 2019-20	Forecast FY 2020-21
HISTORICAL AMOUNTS							
100 Personnel Services - Salaries	142,344,497	146,378,984	152,306,826	156,341,519	161,336,160	166,160,490	171,042,966
200 Personnel Services - Employee Benefits	68,237,505	74,748,745	88,266,092	95,899,082	100,000,248	105,949,874	110,190,198
300 Purchased Professional & Technical Services	5,357,675	5,601,706	4,821,488	5,407,214	5,488,153	5,586,727	5,678,851
400 Purchased Property Services	6,017,506	5,565,692	6,247,203	6,858,114	7,269,601	7,669,429	8,052,900
500 Other Purchased Services	19,397,963	19,640,761	20,089,690	20,260,557	20,706,371	21,162,116	21,628,016
600 Supplies	7,247,506	7,079,377	7,388,480	7,819,826	7,976,110	8,135,518	8,298,114
700 Property	538,326	650,257	249,047	731,239	745,039	759,789	774,214
800 Other Objects	7,037,889	4,748,582	4,122,786	3,710,459	3,211,757	2,741,304	2,299,141
900 Other Financing Uses	54,079,796	41,664,665	40,651,000	32,980,000	29,515,000	25,485,000	23,215,000
GRAND TOTAL	310,258,663	306,078,770	324,142,612	330,008,010	336,248,438	343,650,246	351,179,400

2018-19 Expenses are Budgeted at \$336,248,438

2018-19 Revenue & Exp.

Central Bucks School District

Concise Summary Report



Home	Reports	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Proj. Actual FY 2017-18	Forecast FY 2018-19	Forecast FY 2019-20	Forecast FY 2020-21
REVENUES								
Real Estate Taxes		210,319,089	212,579,896	215,273,780	217,034,174	219,195,970	221,238,834	223,284,094
Act 511 Taxes		26,795,892	28,618,799	29,472,237	30,775,000	31,914,910	32,573,455	33,246,392
Other Local Revenue		11,261,674	11,494,620	11,721,389	12,395,852	12,935,706	12,667,166	12,879,934
Basic Instructional and Operating Subsidies		16,296,886	16,954,618	17,856,821	18,303,119	18,642,181	18,990,725	19,348,670
Revenue for Specific Educational Programs		7,265,957	7,262,128	7,288,106	7,208,225	7,244,266	7,280,487	7,316,890
Other State Revenue		31,894,576	36,698,681	47,022,103	43,981,900	44,343,525	46,224,731	47,653,614
Federal Revenue		2,050,534	1,725,342	2,379,630	2,306,222	2,306,223	2,255,529	2,208,284
Other Financing Sources		12,305,900	22,815	9,537				
TOTAL REVENUES		318,190,508	315,356,901	331,023,603	332,004,492	336,582,781	341,230,928	345,937,878
EXPENDITURES								
Salaries and Benefits		210,582,001	221,127,730	240,572,918	252,240,601	261,336,408	272,110,364	281,233,163
Operating Expenses		38,599,641	38,591,231	38,855,125	41,177,265	42,287,587	43,417,938	44,538,543
Debt Service & Transfers		61,077,021	46,359,809	44,714,569	36,590,144	32,624,444	28,121,944	25,407,694
TOTAL EXPENDITURES		310,258,663	306,078,770	324,142,612	330,008,010	336,248,438	343,650,246	351,179,400
NET OPERATING BALANCE		7,931,845	9,278,131	6,880,990	1,996,482	334,343	(2,419,318)	(5,241,522)

The 2018-19 Budget is Increasing by 1.9% Compared to the 2017-18 Projected Actual Expenses.

Fund Balance – Rainy Day - Trend

Fiscal Year	Ending Unassigned Fund Balance	Unassigned Fund Balance as % of Budget , 8% Max.
2011-12	\$22,102,025	7.7%
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	\$13,997,592	4.2%
2017-18 Oct.	\$15,218,828	4.6%

Comparing 2017-18 to 2018-19 Major Expenses

- Retirement Contributions 7.6% or \$3.9M [includes adjustments for salaries]
- Medical Benefits -3.0% or \$660k less
- Prescription Benefits 6% or \$528k
- Principal Payment on Debt - 9.7% or \$1M less
- Interest Payment on Debt -13.9% or \$500k less

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	Budgeted

Tax Reform

- On November 7th, voters passed a constitutional amendment to allow for 100% reduction of the median homestead / farmstead exemption. [was 50%]
- The state's Independent Fiscal Office is currently analyzing the potential real estate tax reduction by county if sales taxes were increased from 6% to 7% and if the Personal Income Tax was increased from 3.07% to 4.95% [handout at finance committee]

Act 1, Budget process - Summary

- December 4th: Approval to Publicly Post Proposed Preliminary Expenditure Budget
- January 23rd: Adjust December Budget and Board Adoption of Preliminary Budget
- February, March, April: Revise Preliminary Budget
- April 24th: Approval to Publicly Post the Proposed Final Budget
- May 22nd: Final Budget Presentation
- June 12th: 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 2018- 2019 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 23rd, 2018. 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

Agenda Item

Asking for Board Authorization to Post the Proposed Preliminary 2018-19 Budget on the District Web Site in the Amount of \$336,248,438.

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 2.4%.

This posting will launch the 2018-19 budget process.