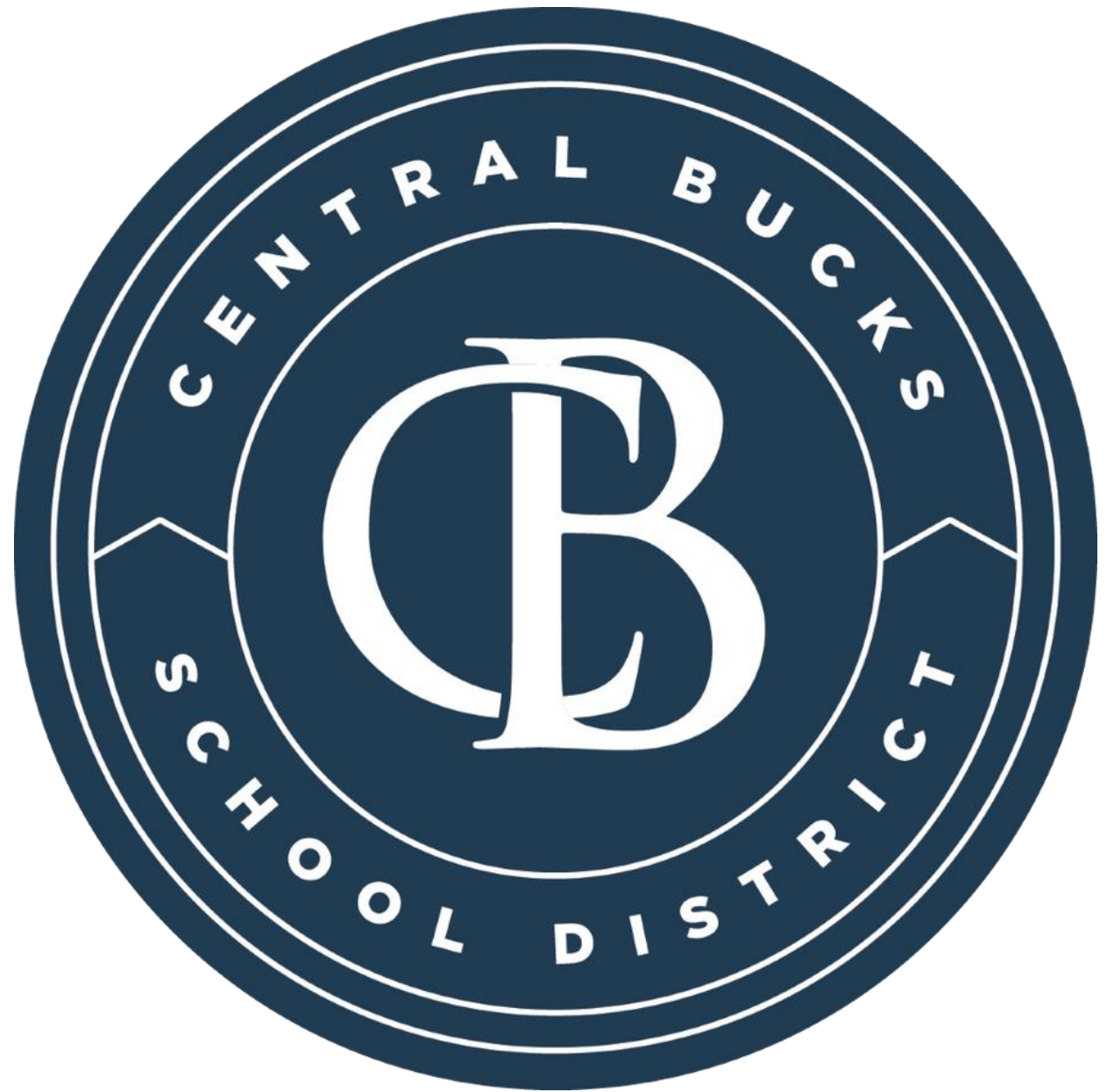
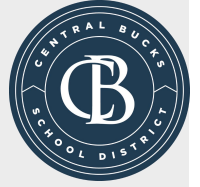


Proposed Preliminary Budget

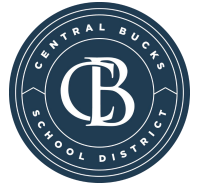
*Fiscal Year
2020-21*





Overview

- 2018-19 Financial Results
- 2018-19 General Fund Balance
- 2019-20 Budget Review
- 2020-21 Proposed Preliminary Budget



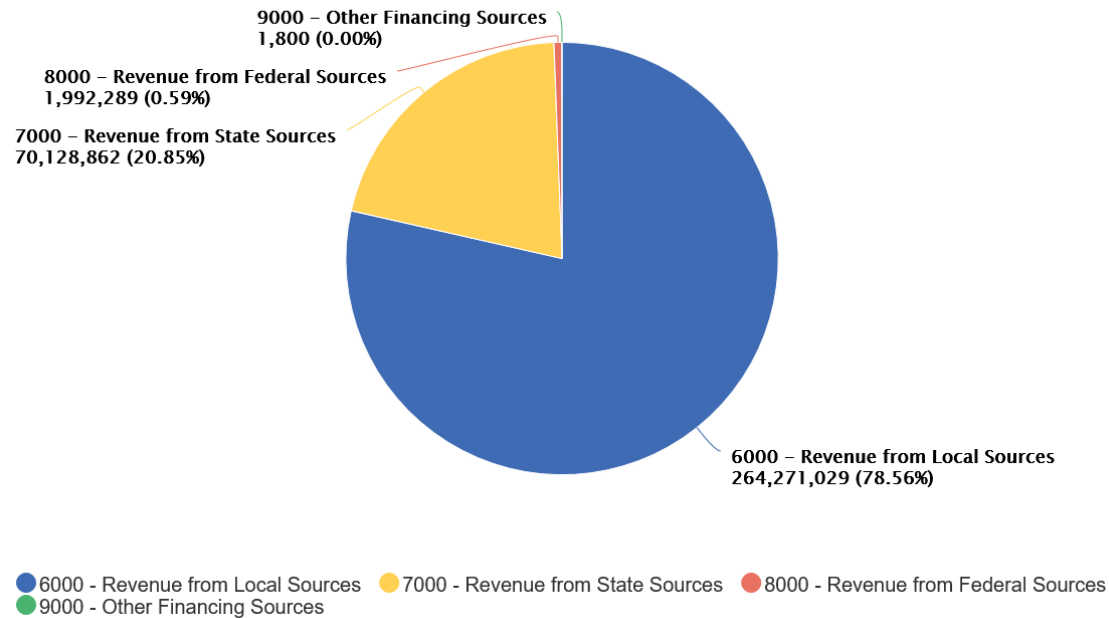
2018-19 Financial Results

2018-19 Financial Results

Revenue: Negative Budget Variance



Annual Operating Revenues



REVENUES	Budget	Actual	Budget Variance Favorable (Unfavorable)	
Current Real Estate Taxes	\$ 217,147,385	\$ 217,290,729	\$ 143,344	0.1%
Interim Real Estate Taxes	2,100,000	1,867,291	(232,709)	-11.1%
Delinquent Real Estate Taxes	2,609,501	2,432,209	(177,292)	-6.8%
Real Estate Transfer Taxes	5,715,628	5,128,220	(587,408)	-10.3%
Public Utility Realty Taxes	250,000	253,484	3,484	1.4%
Current Earned Income Taxes	26,107,410	25,762,362	(345,048)	-1.3%
Delinquent Earned Income Taxes	750,000	1,015,476	265,476	35.4%
Interest Income	1,425,000	2,629,594	1,204,594	84.5%
Admissions / Fees Revenue	371,340	373,743	2,403	0.6%
IDEA - BCIU	2,457,390	2,456,946	(444)	0.0%
Gift Revenue	450,000	267,181	(182,819)	-40.6%
Community School Revenue	4,081,000	3,932,393	(148,607)	-3.6%
Incarcerated Education	408,238	531,068	122,830	30.1%
Misc. Local Revenue	111,225	330,334	219,109	197.0%
Revenue from Local Sources	263,984,117	264,271,029	286,912	0.1%
Basic Instructional Subsidy	18,327,188	18,263,257	(63,931)	-0.3%
Special Education Subsidy	7,217,433	7,175,550	(41,883)	-0.6%
Tuition	162,000	133,920	(28,080)	-17.3%
Public Transportation Subsidy	2,558,235	2,587,933	29,698	1.2%
Non-Public Transportation Subsidy	655,270	662,970	7,700	1.2%
Rental/Sinking Reimbursement	1,085,514	1,086,397	883	0.1%
Medical/Dental Reimbursement	370,000	352,727	(17,273)	-4.7%
Property Tax Relief	5,994,705	5,994,705	0	0.0%
Ready-to-Learn Block Grant	1,024,042	1,024,042	-	0.0%
Social Security Reimbursement	6,024,759	5,879,235	(145,524)	-2.4%
Retirement Reimbursement	27,444,004	26,941,329	(502,675)	-1.8%
Misc. State Revenue	-	26,797	26,797	n/a
Revenue from State Sources	70,863,150	70,128,862	(734,288)	-1.0%
Title I	642,005	718,324	76,319	11.9%
Title II	274,340	308,999	34,659	12.6%
Title III	53,474	57,504	4,030	7.5%
Title IV	-	45,299	45,299	n/a
ACCESS D/S	1,272,340	813,954	(458,386)	-36.0%
ACCESS T/S	44,105	48,209	4,104	9.3%
Misc. Federal Revenue	7,119	-	(7,119)	-100.0%
Revenue from Federal Sources	2,293,383	1,992,289	(301,094)	-13.1%
Revenue from Other Sources	-	1,800	1,800	n/a
TOTAL REVENUES	\$ 337,140,650	\$ 336,393,980	\$ (746,670)	-0.2%



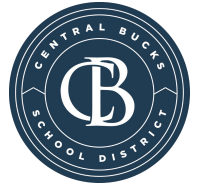
2018-19 Financial Results

Expenditures: Positive Variance excluding Non-budgeted Transfers

Expenditures	Budget	Actual	Budget Variance	
			Favorable (Unfavorable)	
1100 - Regular Programs	\$ 144,167,703	\$ 143,984,200	\$ 183,503	0.1%
1200 - Special Programs	45,185,591	45,075,780	109,811	0.2%
1300 - Vocational Programs	4,842,842	4,842,842	-	0.0%
1400 - Other Instructional Programs	4,025,951	3,980,758	45,193	1.1%
1500 - NonPublic School Programs	40,019	35,365	4,654	11.6%
2100 - Pupil Personnel Services	13,890,741	13,806,608	84,133	0.6%
2200 - Instructional Staff Services	12,447,905	12,308,836	139,069	1.1%
2300 - Administrative Services	14,873,589	14,784,898	88,691	0.6%
2400 - Pupil Health	4,376,820	4,247,471	129,349	3.0%
2500 - Business Services	2,020,353	1,985,277	35,076	1.7%
2600 - Operation and Maintenance of Plant Services	25,337,687	25,193,181	144,506	0.6%
2700 - Student Transportation Services	20,401,603	20,253,796	147,807	0.7%
2800 - Central & Other Support Services	4,034,174	3,982,676	51,498	1.3%
2900 - Other Support Services	232,000	223,325	8,675	3.7%
3200 - Student Activities	5,049,210	5,027,424	21,786	0.4%
3300 - Community Services	3,590,018	3,535,730	54,288	1.5%
5100 - Debt Service	13,024,444	13,027,844	(3,400)	0.0%
5200 - Interfund Transfers	19,600,000	39,685,180	(20,085,180)	-102.5%
Total Expenditures	337,140,650	355,981,191	(18,840,541)	-5.6%
Exclude: Non-budgeted Interfund Transfers		22,085,180	(22,085,180)	
Total Expenditures Excluding Interfund Transfers	\$ 337,140,650	\$ 333,896,011	\$ 3,244,639	1.0%

Non-budgeted Interfund Transfers:
\$12,396,119 Transfer to Capital Fund
\$ 9,689,061 Transfer to Debt Service Fund
\$22,085,180

2018-19 Financial Results



<i>General Fund</i>	Budget	Actual	Variance
Revenues	\$ 337,140,650	\$ 336,393,980	-\$ 746,670
Expenditures	\$ 337,140,650	\$ 355,981,189	-\$ 18,840,539
Budget Variance – Including Non-budgeted Transfers			-\$ 19,587,209
Non-budgeted Transfers from General Fund ¹			\$ 22,085,180
Budget Variance – Excluding Non-budgeted Transfers			\$ 2,497,971
<i>Budget Variance as % of Total Budget</i>			<i>0.37%</i>

¹ \$12,396,119 Transfer to Capital Fund
\$ 9,689,061 Transfer to Debt Service Fund
 \$22,085,180

2018-19 General Fund Balance



<i>General Fund</i>	Unassigned	Assigned	Non-spendable	Total
General Fund Balance as of July 1, 2018	\$ 22,722,921	\$ 20,070,981	\$ 3,506,331	\$ 46,300,233
2018-19 Non-budgeted Transfers	-\$ 12,396,119	-\$ 9,689,061	\$ -	-\$ 22,085,180
2018-19 Budget Variance	\$ 5,182,325	\$ 413,342	-\$ 3,097,696	\$ 2,497,971
General Fund Balance as of June 30, 2019	\$ 15,509,127	\$ 10,795,262	\$ 408,635	\$ 26,713,024
Unassigned General Fund Balance as % of 2019-20 Budget	4.5%			
Unassigned General Fund Balance Limit per PA Dept of Education	8.0%			
Unassigned General Fund Balance Guidance per CBSD Board Policy	3-5%			



2019-20 Budget Review

2019-20 Budget



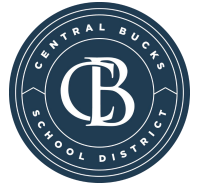
	2019-20	2018-19	2019-20 vs. 2018-19	
	Budget	Actual Results	\$	%
Revenues				
6000 - Revenue from Local Sources	\$ 267,032,680	\$ 264,271,029	\$ 2,761,651	1.0%
7000 - Revenue from State Sources	72,383,878	70,128,862	2,255,016	3.2%
8000 - Revenue from Federal Sources	2,832,055	1,992,289	839,766	42.2%
9000 - Other Financing Sources	-	1,800	(1,800)	-100.0%
Total Revenues	342,248,613	336,393,980	5,854,633	1.7%
Expenditures				
100 - Personnel Services - Salaries	166,680,174	162,120,783	4,559,391	2.8%
200 - Personnel Services - Employee Benefits	101,351,388	98,436,338	2,915,050	3.0%
300 - Purchased Professional & Technical Services	7,489,953	5,828,807	1,661,146	28.5%
400 - Purchased Property Services	4,929,238	3,963,380	965,858	24.4%
500 - Other Purchased Services	21,092,808	21,221,736	(128,928)	-0.6%
600 - Supplies	12,503,631	11,340,616	1,163,015	10.3%
700 - Property	493,031	242,477	250,554	103.3%
800 - Other Objects	122,240	117,430	4,810	4.1%
Interfund Transfers	18,300,000	39,685,180	(21,385,180)	-53.9%
Debt Service	9,286,150	13,024,442	(3,738,292)	-28.7%
Total Expenditures	342,248,613	355,981,189	(13,732,576)	-3.9%
Non-budgeted Interfund Transfers	-	22,085,180	(22,085,180)	-100.0%
Total Expenditures excluding Non-budgeted Transfers	342,248,613	333,896,009	8,352,604	2.5%
Positive (Negative) Budget Variance	\$ -	\$ 2,497,971		

Potential Variance Drivers:

- + Real Estate Assessed Value Growth
- + Earned Income Tax Growth
- Health Insurance
 - (Medical, Prescription)
- Special Education Costs



2020-21 Proposed Preliminary Budget



2020-21 Proposed Preliminary Budget

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



2020-21 Proposed Preliminary Budget

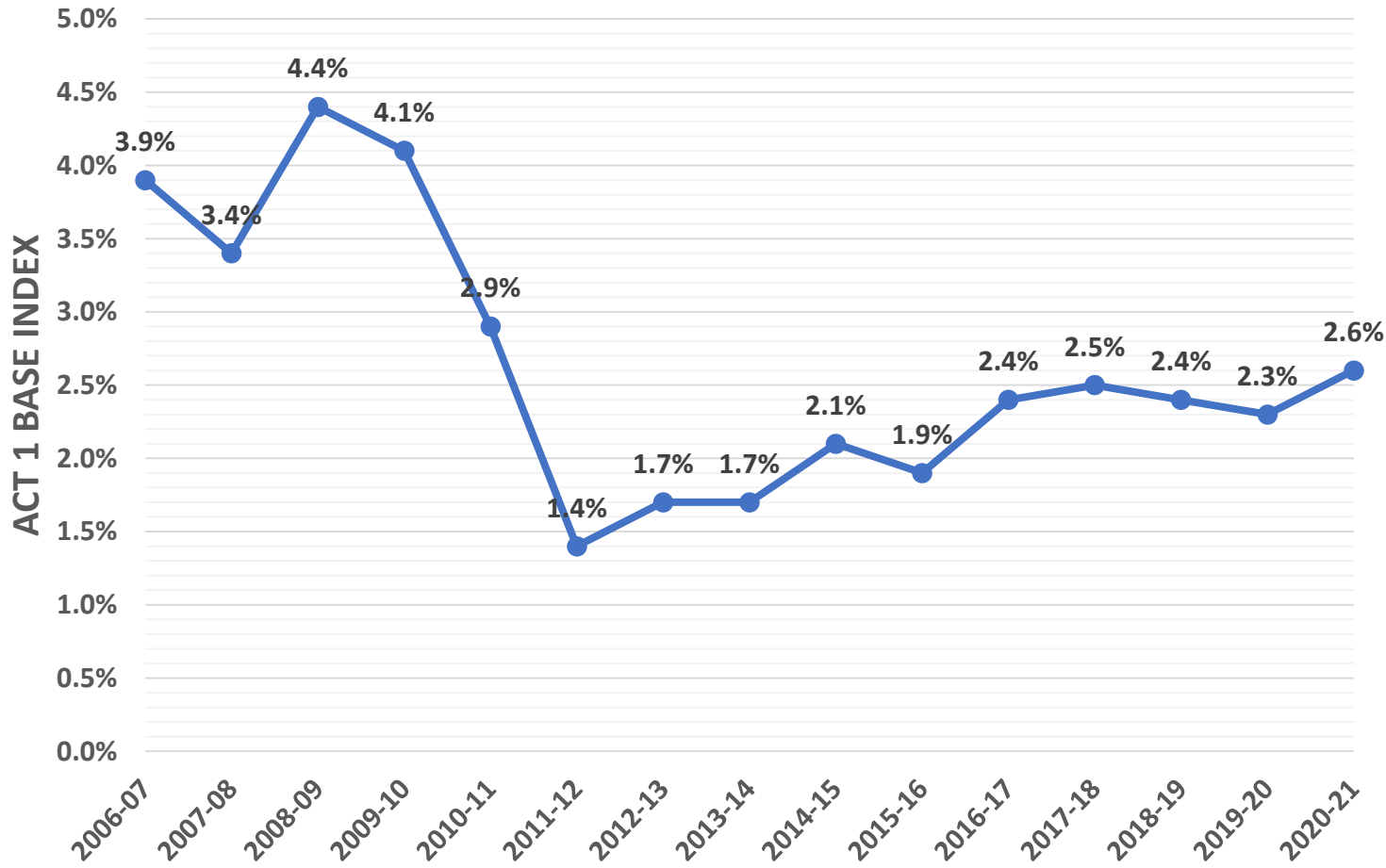
Act 1 Exceptions

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



2020-21 Proposed Preliminary Budget

Act 1 Base Index



2020-21 Act 1 Base Index	2.60%
Estimated Act 1 Exception for Retirement	<u>0.75%</u>
Estimated Allowable Act 1 Tax Increase	3.35%

- 2.60% increase would result in 3.2 mill increase; +\$6.1M additional real estate tax revenue
- 3.35% increase would result in 4.2 mill increase; +\$7.8M additional real estate tax revenue

2020-21 Proposed Preliminary Budget

Act 1 Base Index



Year	Maximum Act 1 Index Millage Rate Increase (%)	Actual CBSD Millage Rate Increase (%)	Maximum Act 1 Index Millage Increase	Actual CBSD Millage Increase	Actual CBSD Millage Rate	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	2.0	122.8	Actual
2013-14	3.0%	0.00%	3.4	0.0	122.8	Actual
2014-15	4.0%	1.06%	4.9	1.3	124.1	Actual
2015-16	3.2%	0.00%	4.0	0.0	124.1	Actual
2016-17	3.5%	0.00%	4.3	0.0	124.1	Actual
2017-18	3.3%	0.00%	4.0	0.0	124.1	Actual
2018-19	3.2%	0.00%	4.0	0.0	124.1	Actual
2019-20	3.1%	0.00%	3.8	0.0	124.1	Actual
2020-21*	3.4%	0.00%	4.2	0.0	124.1	Preliminary



2020-21 Proposed Preliminary Budget

Revenue Assumptions

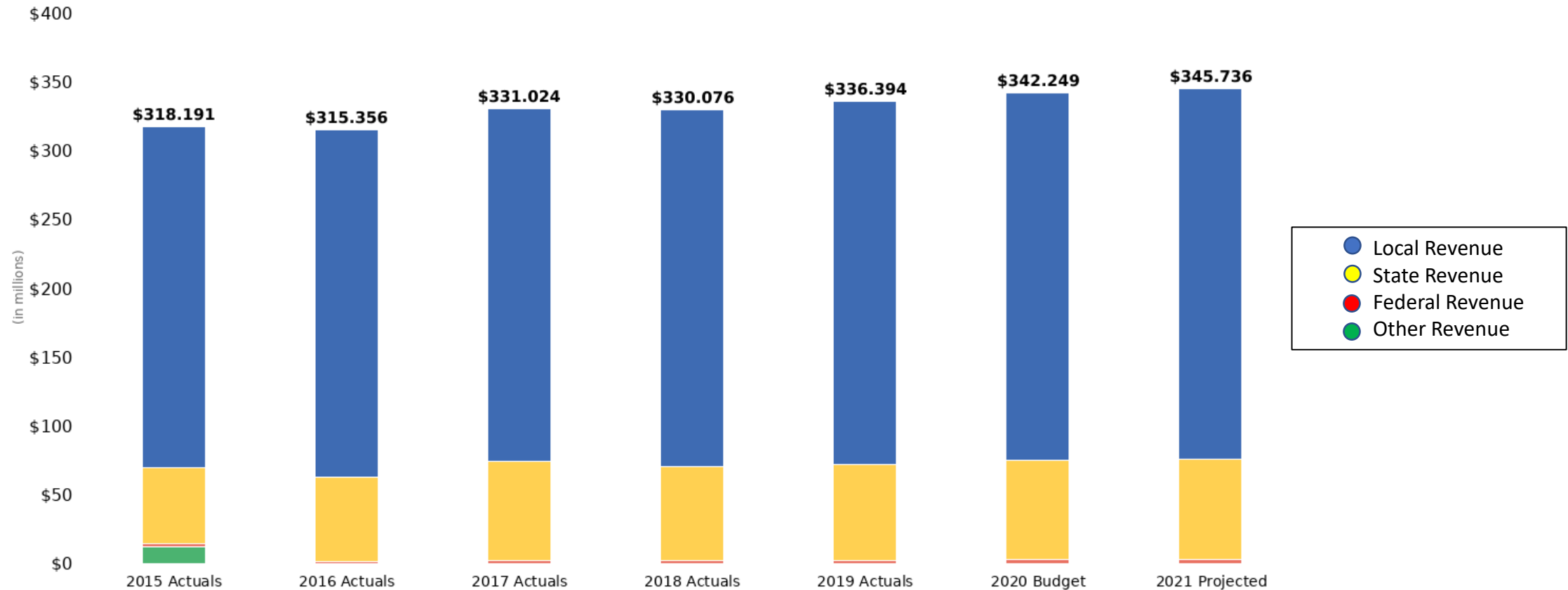
REVENUES	2018-19 Actual vs. 2017-18 Actual	2019-20 Budget vs. 2018-19 Actual	2020-21 Budget vs. 2019-20 Budget
Real Estate Taxes – Current Millage Rate	+0.0%	+0.0%	+0.0%
Assessment Growth	+1.0%	+1.1%	+1.0%
Earned Income Taxes	+4.8%	+0.5%	+2.0%
Real Estate Taxes – Delinquent	+2.7%	-13.6%	+2.0%
Real Estate Taxes – Interim	-17.0%	+26.9%	+1.0%
Real Estate Taxes – Transfer	-2.6%	+11.5%	+1.0%
Investment Income	+64.5%	-8.7%	-30.0%
Total Local Revenue	+1.8%	+1.0%	+0.9%
Basic Instructional Subsidy	+1.6%	+2.5%	+2.0%
Total State/Fed Revenue	+2.3%	+4.3%	+1.5%
Total Revenue	+1.9%	+1.7%	+1.0%



2020-21 Proposed Preliminary Budget

Revenue Growth of 1%

All Years Operating Revenues



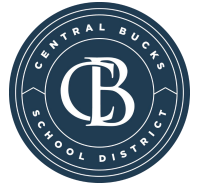


2020-21 Proposed Preliminary Budget

Expenditure Assumptions

	2020-21	2019-20	2020-21 vs. 2019-20		Assumptions
	Preliminary	Budget	\$	%	
Expenditures					
100 - Personnel Services - Salaries	\$ 171,443,874	\$ 166,680,174	\$ 4,763,700	2.8%	Based on employment contracts; no additional headcount
200 - Personnel Services - Employee Benefits	105,352,456	101,351,388	4,001,068	3.8%	Health/Prescription: +4%; Retirement: +4.3%; FICA: +2.85%
300 - Professional & Technical Svcs	7,857,251	7,489,953	367,298	4.7%	Includes additional funding for school safety/social worker resources
400 - Purchased Property Svcs	5,027,823	4,929,238	98,585	2.0%	
500 - Other Purchased Services	22,124,501	21,092,808	1,031,693	4.7%	MBIT, Transportation contractor, Charter Schools
600 - Supplies	11,325,019	12,503,631	(1,178,612)	-10.4%	New Elementary Math curriculum in 2019-20
700 - Property	502,892	493,031	9,861	2.0%	
800 - Other Objects	124,685	122,240	2,445	2.0%	
Interfund Transfers	18,000,000	18,300,000	(300,000)	-1.7%	\$10M Short-term; \$4M Long-Term; \$3M Tech; \$1M Transportation
Debt Service	6,822,750	9,286,150	(2,463,400)	-36.1%	Declining due to debt defeasance
Total Expenditures	\$ 348,581,251	\$ 342,248,613	\$ 6,332,638	1.8%	

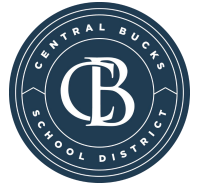
2020-21 Proposed Preliminary Budget



<i>General Fund</i>	2020-21 Preliminary Budget	2019-20 Budget	% Change
Revenues	\$ 345,736,234	\$ 342,248,613	1.02%
Expenditures	\$ 348,581,251	\$ 342,248,613	1.85%
Budget Surplus (Deficit)	(\$2,845,017)	\$0	

2020-21 Budget Items for Consideration:

- Potential Economic Downturn
- Funding Capital Projects
 - 1:1 Laptop Program
 - HVAC Projects
- Rising Special Education Costs



2020-21 Proposed Preliminary Budget

Timeline Under Act 1

- ❑ December 3, 2019: Approval to Publicly Post Proposed Preliminary Budget
- ❑ January 14, 2020: Board Adoption of Preliminary Budget (Adjusted Proposed Preliminary)
- ❑ February – March 2020: Revise Preliminary Budget
- ❑ April 21, 2020: Board Adoption of Proposed Final Budget
- ❑ May 26, 2020: Final Budget Presentation
- ❑ June 9, 2020: Board Adoption of Final Budget & Resolutions



2020-21 Proposed Preliminary Budget

Resolution Authorizing Display and Advertising

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 posted conspicuously at the administrative offices of the School District.
3. The Act 1 index applicable to the School District as calculated by the Pennsylvania Department of Education is 2.6%.

2020-21 Proposed Preliminary Budget *Newspaper Advertisement*



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 2020-2021 fiscal year will be 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 14, 2020**. 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.

Stephanie Radcliffe
School Board Secretary

