

CENTRAL BUCKS SCHOOL DISTRICT

**Resolution Authorizing Proposed Preliminary Budget
Display and Advertising
and Authorizing Referendum Exception**

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 2.1 %. The Preliminary Budget Proposal assumes that the School District will receive approval for use of one or more Act 1 real estate tax referendum exceptions. The School District shall take all steps required to obtain PDE approval for the referendum exceptions contemplated in the Preliminary Budget Proposal, including advertising once in a newspaper of general circulation and placing on the School District internet website Act 1 Referendum Exception Notice in substantially the form as presented to the School Board.

Proposed Preliminary Budget 2014-15

December 2, 2013 Board Meeting

Act 1, Budget process - Summary

- December: Approval to Publicly Post Proposed Expenditure Budget
- January: Adjust December Budget and Board Adoption of Preliminary Budget
- February, March, April: Revise Preliminary Budget
- April 22: Approval to Publicly Post the Proposed Final Budget
- May 27: Board Final Adoption of the Budget

Capital Planning

Capital Project Budgeting (assumes taxes are not increased to Act 1 Limits) 11-20-2013

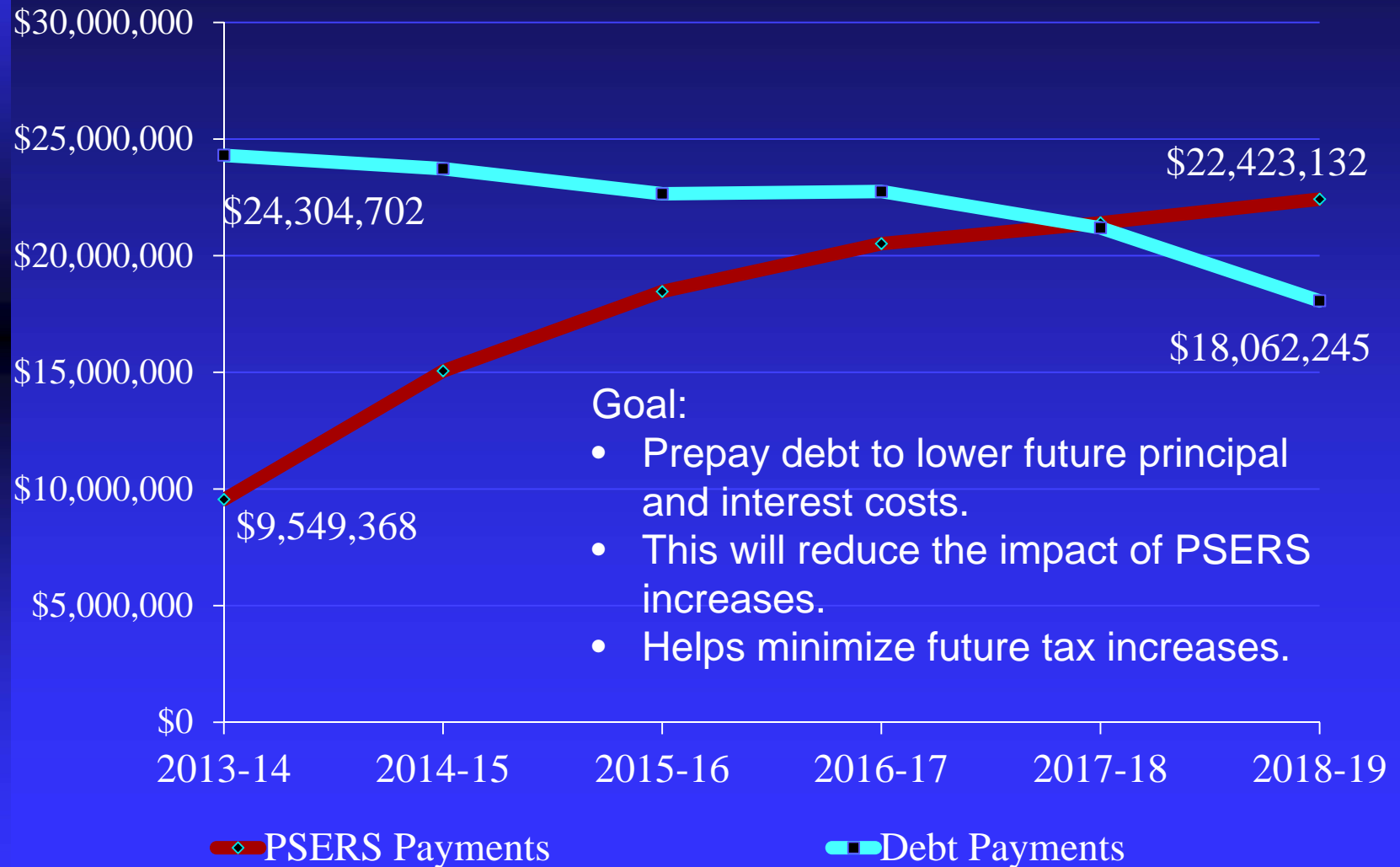
Existing Capital Transfers	2014-15	2015-16	2016-17	2017-18	2018-19
Transportation	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Technology	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Short Term Capital	\$4,300,000	\$4,300,000	\$4,300,000	\$4,300,000	\$4,300,000
	\$7,300,000	\$7,300,000	\$7,300,000	\$7,300,000	\$7,300,000

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	\$7,300,000	\$7,300,000	\$7,300,000	\$7,300,000	\$7,300,000	
Proposed Capital Expenses						Total
Long Term Capital (2008 Bond)	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$48,000,000
Post Emp Bene (GASB 45)	\$4,000,000	\$3,000,000	\$3,000,000	\$2,000,000	\$1,000,000	\$17,200,000
Reserve for Health Care Stop Loss	\$2,300,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$13,300,000
Reserve for future PSERS	\$2,500,000	\$1,000,000	\$500,000	\$500,000	\$2,000,000	\$9,500,000
	\$16,800,000	\$14,000,000	\$13,500,000	\$12,500,000	\$13,000,000	

Relationship of Debt Payments to Projected PSERS Expenses net of state reimbursement



Looking at Trends in Pennsylvania Revenue

Major Sources of Pennsylvania State Revenue

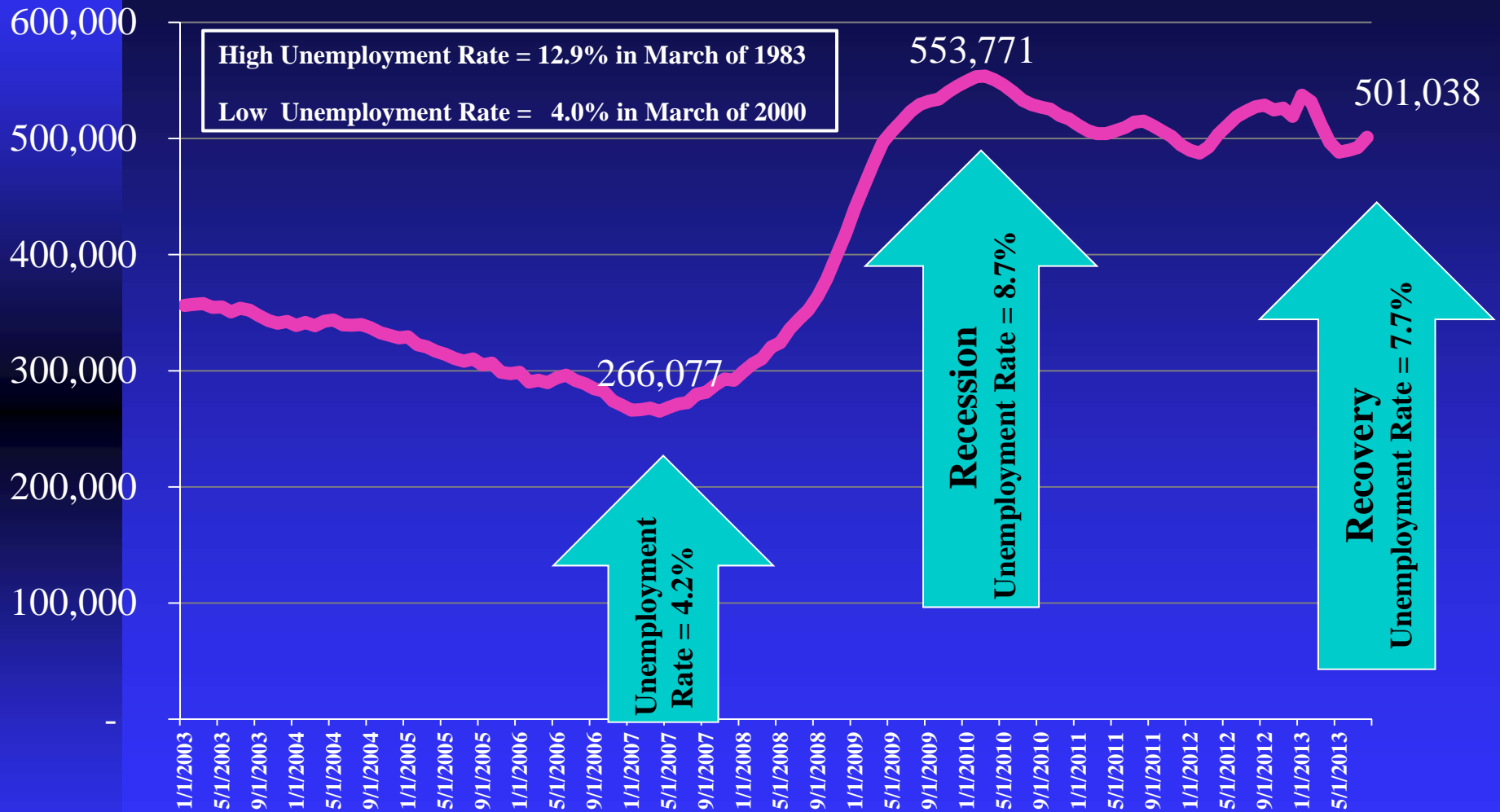
Personal Income Tax Collected as of October of Each Year



Source: Pennsylvania Department of Revenue, Monthly Revenue Report YTD Actual
http://www.revenue.state.pa.us/portal/server.pt/community/monthly_revenue_reports/14801

Pennsylvania Unemployment History

People available for work but can not find employment



unemployment

Source: Bureau of Labor and Statistics

http://data.bls.gov/timeseries/LASST42000006?data_tool=XGtable

Major Sources of Pennsylvania State Revenue

Real Estate Transfer Tax Collected as of October of Each Year

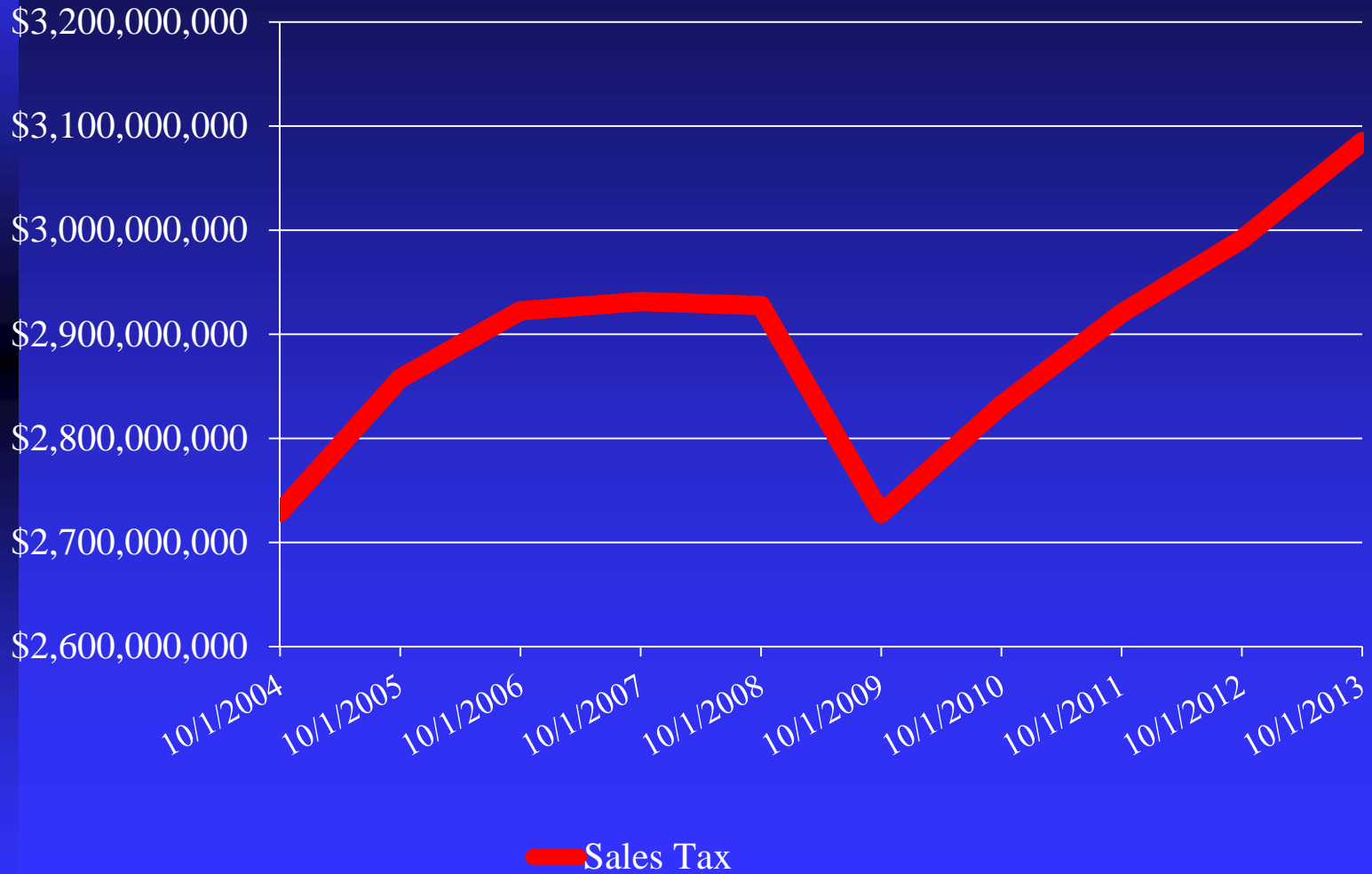


Source: Pennsylvania Department of Revenue, Monthly Revenue Report

http://www.revenue.state.pa.us/portal/server.pt/community/monthly_revenue_reports/14801

Major Sources of Pennsylvania State Revenue

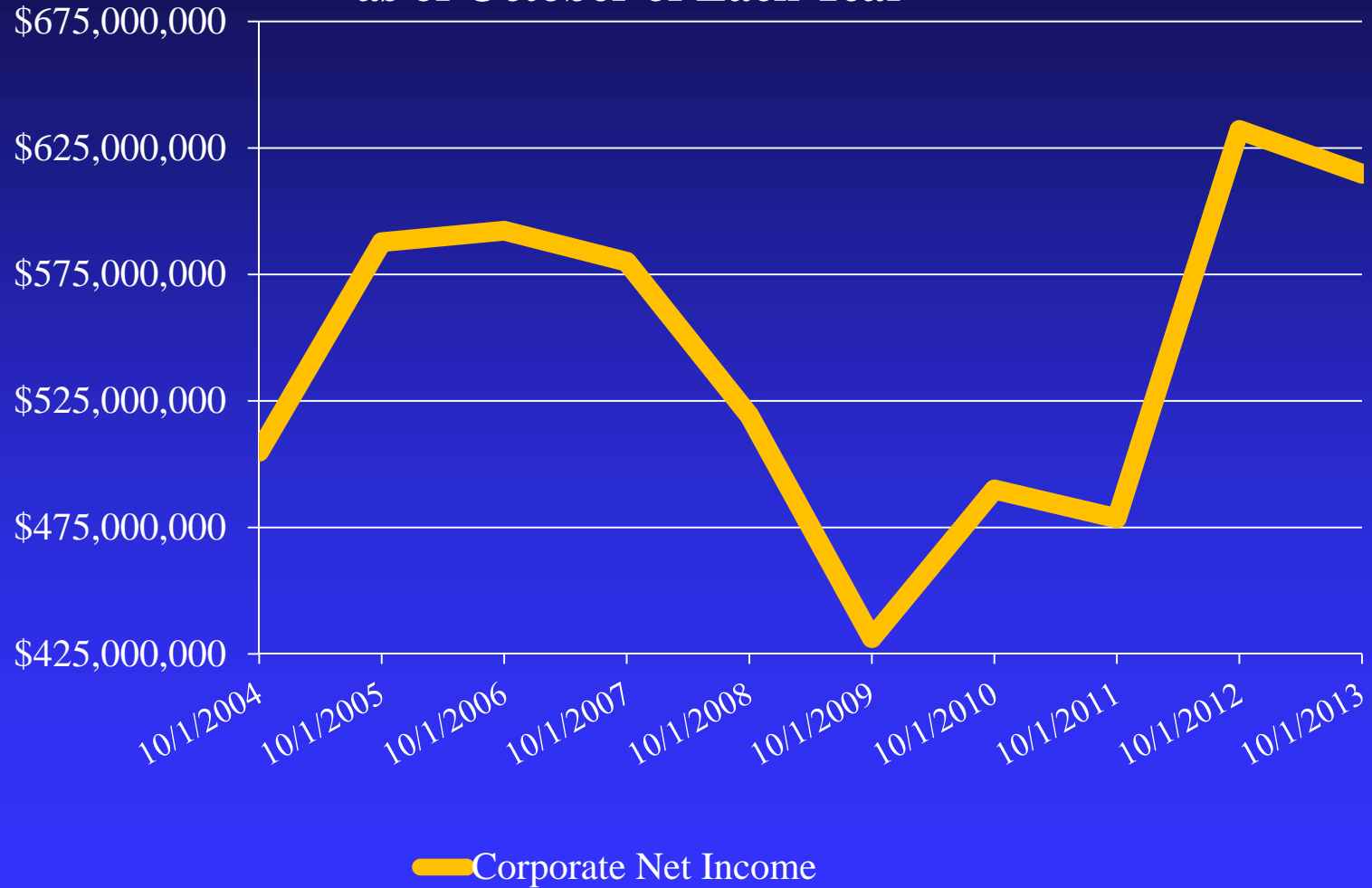
Sales Tax Collected as of October of Each Year



Source: Pennsylvania Department of Revenue, Monthly Revenue Report
http://www.revenue.state.pa.us/portal/server.pt/community/monthly_revenue_reports/14801

Major Sources of Pennsylvania State Revenue

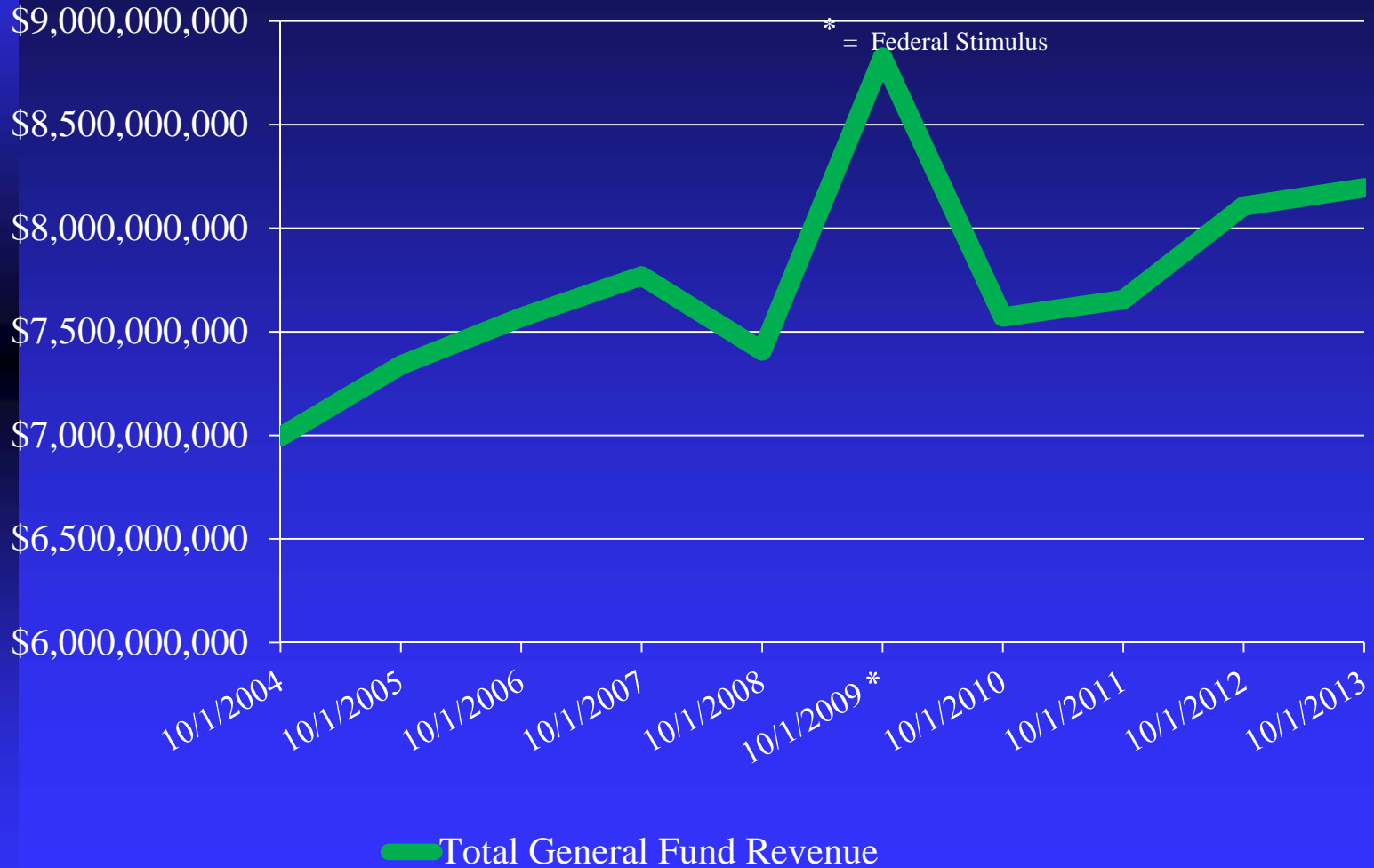
Corporate Net Income Tax Collected as of October of Each Year



Source: Pennsylvania Department of Revenue, Monthly Revenue Report
http://www.revenue.state.pa.us/portal/server.pt/community/monthly_revenue_reports/14801

Major Sources of State Revenue

Total General Fund Revenue as of October of Each Year



Source: Pennsylvania Department of Revenue, Monthly Revenue Report
http://www.revenue.state.pa.us/portal/server.pt/community/monthly_revenue_reports/14801

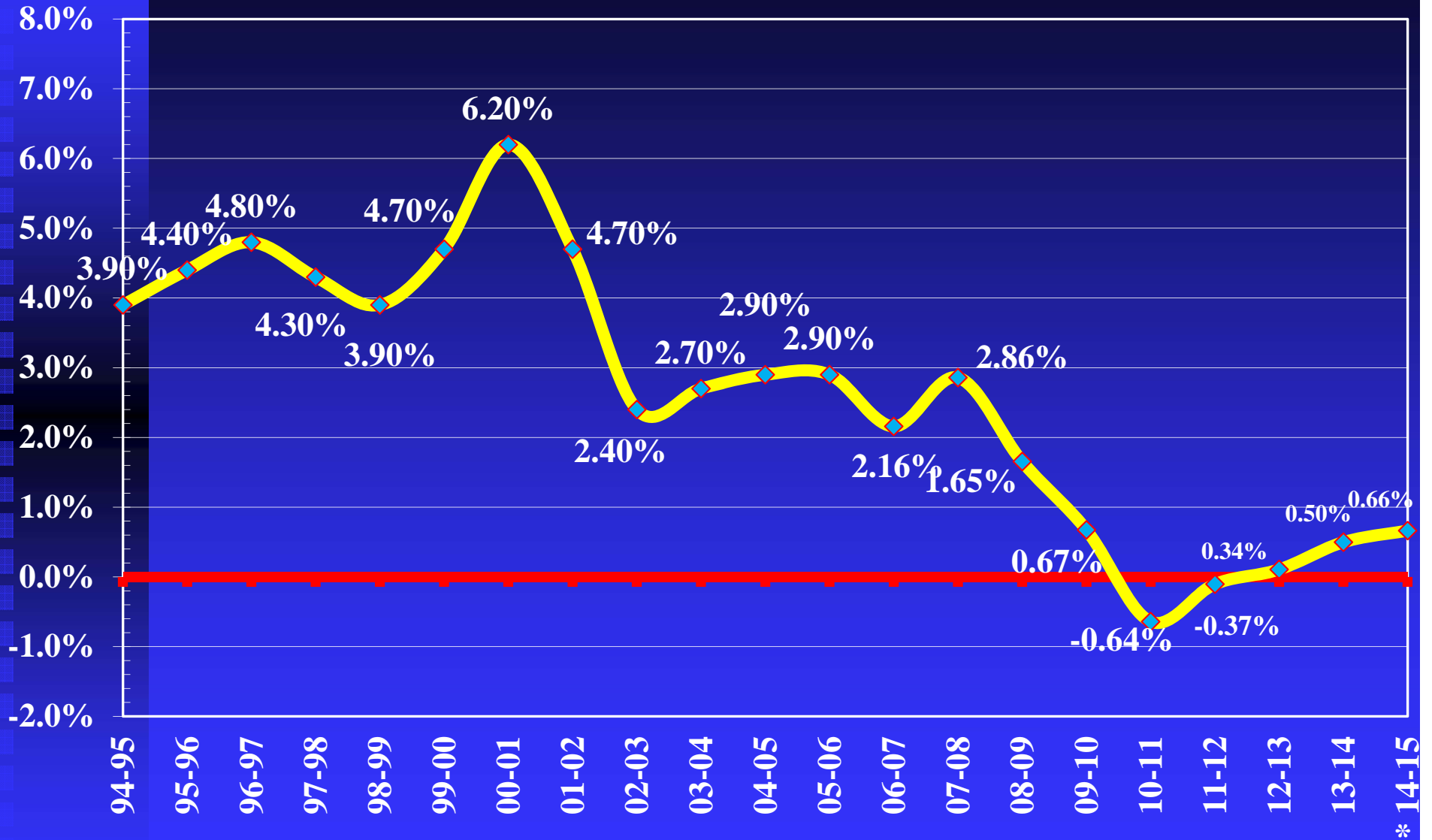
Federal Program Funding Loss

- Federal IDEA Budget for the current year (2013-14) will be \$210,000 less than 2012-13 or about 8.5% loss
- Federal Medical Assistance (ACCESS) budget for the current year (2013-14) will be \$300,000 less than 2012-13 or about 22% loss

Focus on Central Bucks S.D.

Real Estate Assessed Value Trend

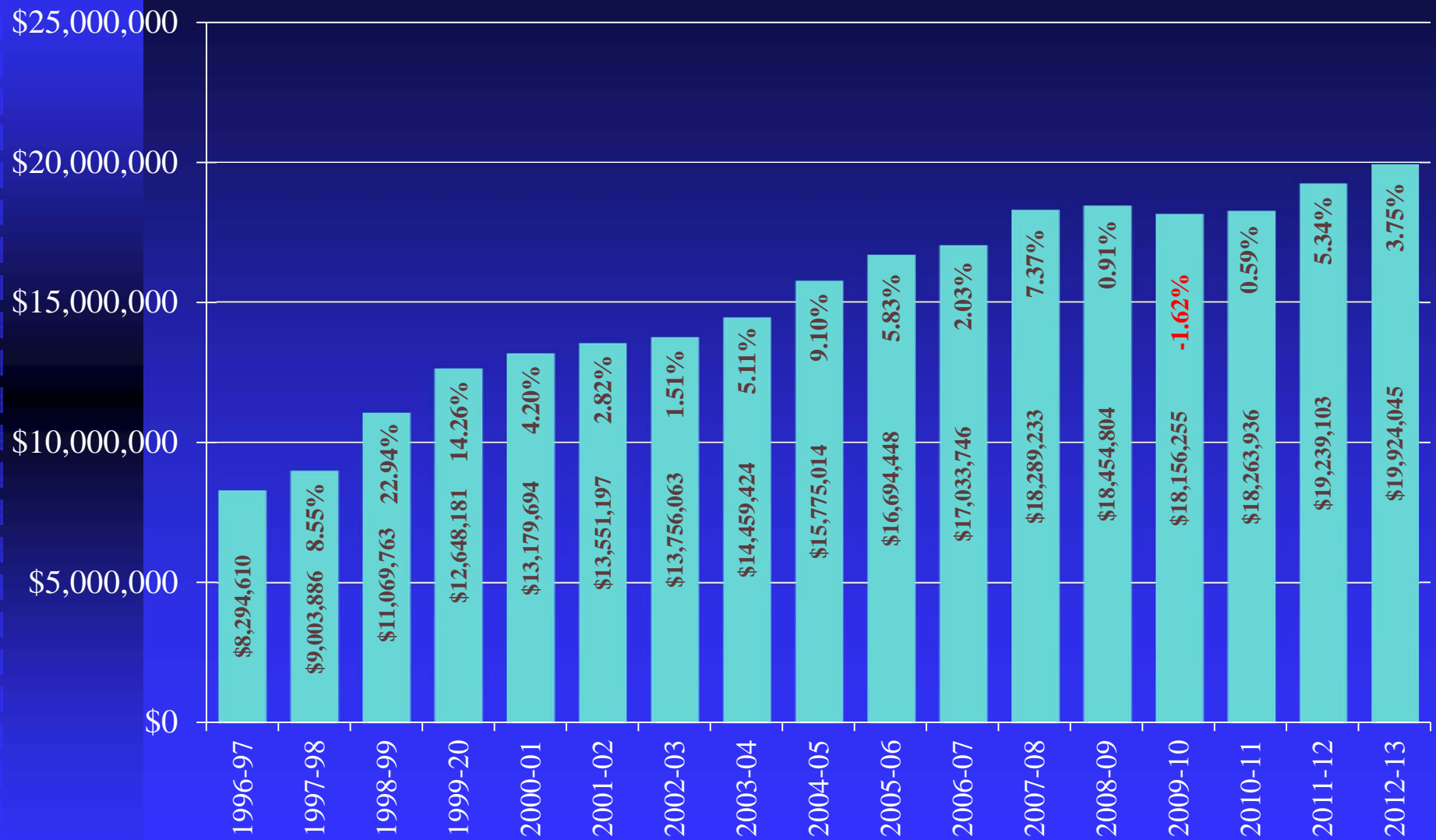
Shows the general change in real estate value within a community



* Projected

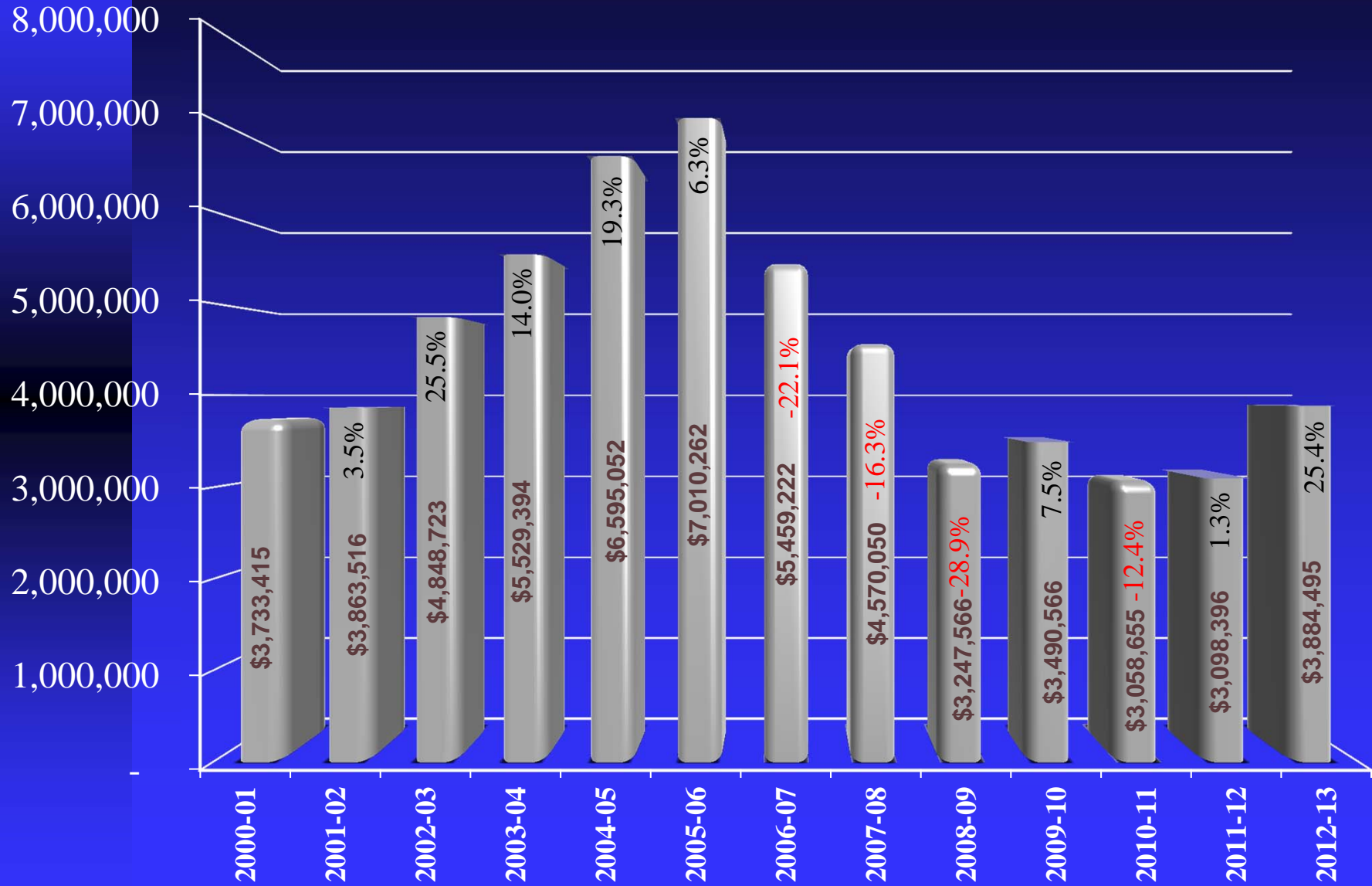
Earned Income Tax Trend

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



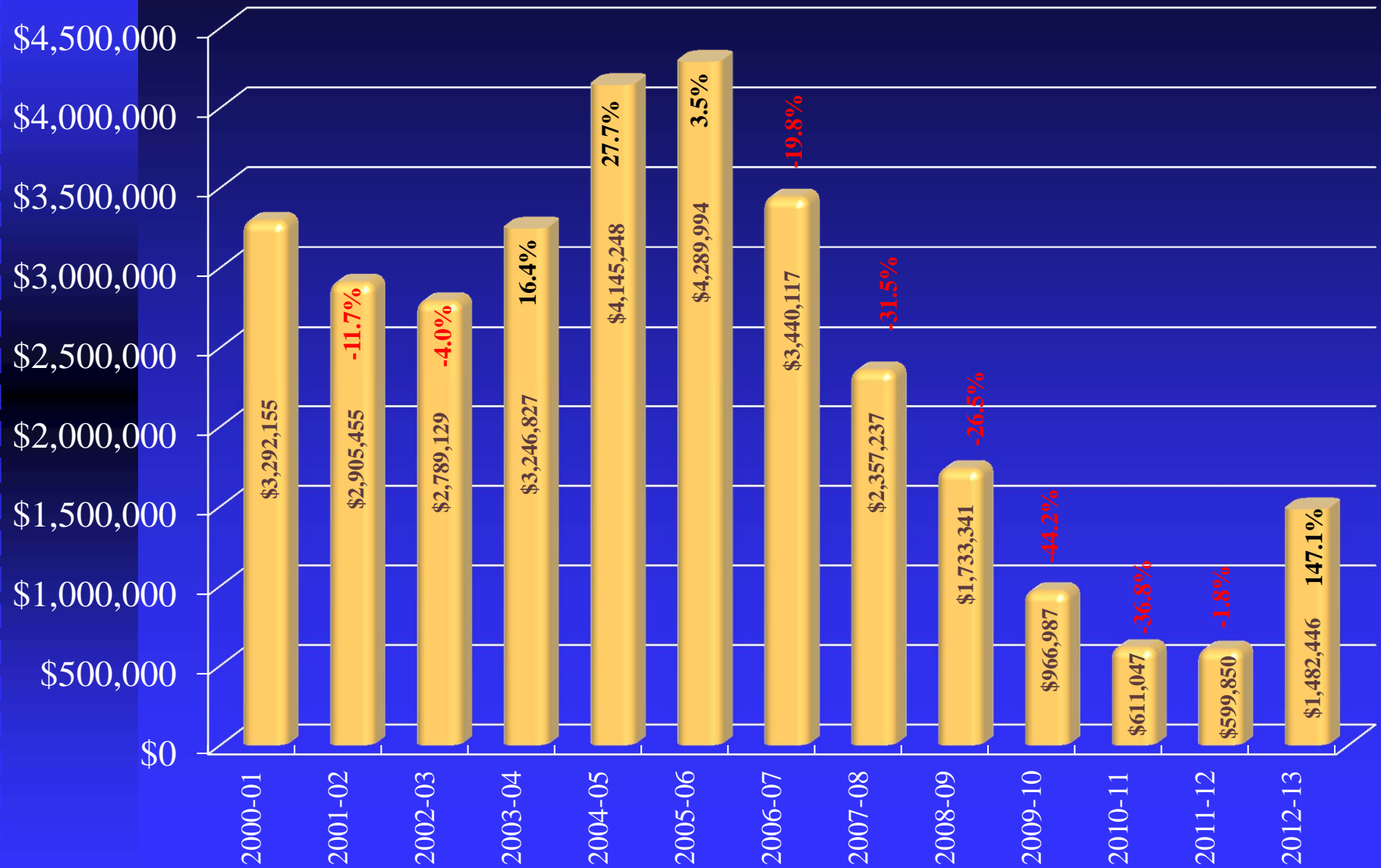
Real Estate Transfer Tax Trend

Indicator of Home Sales Within the School District

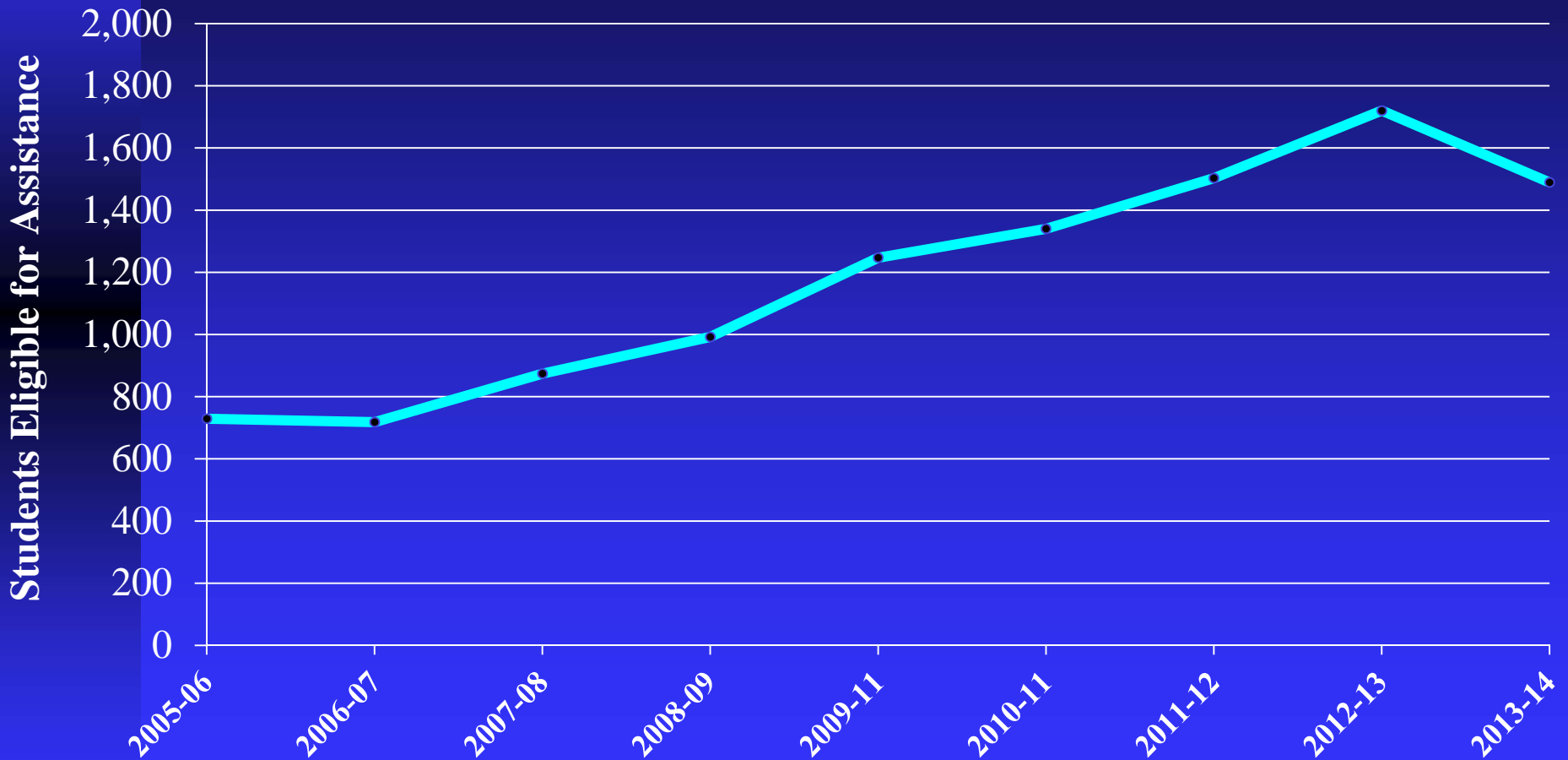


Interim Real Estate Tax Trend

Indicator of Real Estate Construction Growth Within the School District



Central Bucks: Students Eligible for Free or Reduced Price Lunch Assistance



As of October of Each Year

http://www.portal.state.pa.us/portal/server.pt/community/national_school_lunch/7488

What Can We Conclude From a Preliminary Look at Revenues?

- Overall, revenues at the state level are improving
- The economy at the local level seems to be improving

What does this mean for Central Bucks SD?

- ◆ Even with an improving economy, we don't anticipate more state or federal revenues over the next few years
- ◆ Extra state revenues will likely to go toward paying for its share of retirement in the PSERS and SERS system
- ◆ Is Federal sequestration the new status quo?
- ◆ CBSD must manage the future with local resources

The Act 1 index provides the base amount real estate taxes can increase.

The index is based on inflation rates of the Pennsylvania State Average Weekly Wage (SAWW) and the U.S. Education Cost Index (ECI)

For 2014-15, What is the Base Index Amount and Estimated Exceptions?

2014-15 Base Act 1 Index	2.10%	=	2.57 mills	or	\$4,251,276
Estimated Exception for Retirement System *	1.20%	=	1.47 mills	or	\$2,431,664
Estimated Exception for Special Education *	0.10%	=	0.12 mills	or	\$198,503
<hr/>					
Estimated Act 1 Index with Exceptions *	3.40%		4.16 mills		
Current 2013-14 Real Estate Millage Rate is			122.8 mills		
3.40% Estimated Index Growth with Exceptions			4.16 mills	or	\$6,881,443
<hr/>					
<u>Estimated</u> Maximum Millage Rate for 2014-15 Budget			127.0 mills *		

* Official calculation formulas will be available from PDE in February

Note: This does not mean the district plans to increase real estate taxes by this amount. This is an estimate of what the maximum increase can be under Act 1. A referendum vote by the community is needed to raise the millage rate greater than the Act 1 Base index plus exceptions.

Historical Millage Rates

Fiscal Year	Millage Rates	% Change
1992-93	52.9	
1993-94	52.9	0.00%
1994-95	54.8	3.59%
1995-96	56.8	3.65%
1996-97	59.2	4.23%
1997-98	62.0	4.73%
1998-99	65.5	5.65%
1999-00	67.7	3.36%
2000-01	69.6	2.81%
2001-02	71.8	3.16%
2002-03	76.8	6.96%
2003-04	86.4	12.50%
2004-05	95.0	9.95%
2005-06	97.9	3.05%
2006-07	102.0	4.19%
2007-08	105.87	3.79%
2008-09	110.5	4.37%
2009-10	114.8	3.89%
2010-11	119.2	3.83%
2011-12	120.8	1.34%
2012-13	122.8	1.66%
2013-14	122.8	0.00%

← Tohickon, Bridge Valley, South

← Lowest % Increases Since 1993-94

Accomplishments

■ Quality Academic Programs

- ◆ Implemented Science Companion – Elem. Curriculum
- ◆ Implemented new Social Studies Program – Elem. Curr.
- ◆ Implemented new Reading / Language Arts - Elem. Curr.
- ◆ More students taking AP courses and Exams
- ◆ High PSSA Scores, Keystone Exam Results, & SAT Scores
- ◆ Addressing the Complex Needs of Students w/ Disabilities
- ◆ Aligned Curriculum with Pennsylvania Core Standards
- ◆ Increased use of Instructional Technology
- ◆ 92% of Graduates Attend Post-Secondary Schools
- ◆ Graduation Rate of 99.1%

■ High academic achievement and low cost of education

CB Education Initiatives 2014-15

- Returning Elem. Librarians to Full time (add 2.0 FTE's)
- Install Additional Elem. and MS Smart Boards
 - ◆ Smart Boards Help Engage Students in Active Collaboration
- Increase Duty Aide Time in Elementary Schools 6 FTE's
- Maintain Reasonable Class Sizes
- Provide Additional Professional Development
 - ◆ Educator Effectiveness Model per PDE
- Provide Students in Grades 7-12 Access to Microsoft 365 (Word, Excel, PowerPoint, Outlook)
 - ◆ MS 365 Also Includes File Storage, Calendars, and Collaboration Tools

2014-15 Budget Pressure Points

■ PSERS Contributions

- ◆ Increasing 26.4% over 2013-14 Levels

■ Teachers Negotiations for 2014-15 . . .

- ◆ This is the Biggest Budget Cost Center

Budget Summary

	2013-14 Budget	2014-15 Initial Budget	Percent Change
Expenses	\$290,683,982	\$299,482,939	3.03%

For 2014-15, total expenses are increasing \$8,798,957

Mandated retirement expenses are increasing \$5,750,000

Preliminary Budget, 2014-15

		14-15 Budget	% Δ	13-14 Projeted Actual	% Δ	12-13 Actual
1000						
1100						
	100	75,562,317	1.09%	74,748,615	0.76%	74,187,211
	200	39,034,154	20.56%	32,378,480	19.90%	27,004,584
	300	40,000	-5.88%	42,500	44.51%	29,410
	400	650,000	15.04%	565,000	6.12%	532,430
	500	80,000	2.56%	78,000	3.66%	75,244
	600	1,800,000	5.57%	1,700,800	-10.50%	2,006,575
	700	2,500,000	11.27%	2,200,600	11.22%	237,015
	800	1,000	9.9%	1,000	7.98%	10,187
	Total	117,567,171	6.9%	109,382,335	5.57%	104,082,656
1200						
	100	20,821,000	1.07%	20,600,000	-2.52%	21,132,858
	200	11,587,452	9.43%	10,588,558	9.98%	9,627,527
	300	4,085,500	1.8%	4,010,000	4.92%	3,821,968
	400	1,000	3.95%	1,500	2.7%	2,450
	500	1,000	1.0%	1,000	0.0%	1,015,647
	600	2,000,000	4.4%	1,950,000	1.3%	203,305
	700	98,000	14.49%	85,600	-5.34%	90,426
	800	1,000	233.33%	300	20.00%	250
	Total	37,999,952	3.68%	36,512,318	1.53%	35,94,431
1300						
	500	4,015,806	2.00%	4,525,300	1.99%	4,436,801
	Total	4,615,806	2.00%	4,525,300	1.99%	4,436,801
1400						
	100	4,200,000	3.0%	4,200,000	0.0%	902,122
	200	2,400,000	2.9%	2,500,000	5.8%	275,333
	300	65,000	52.58%	42,600	-58.2%	102,031
	400	-	#DIV/0!	-	#DIV/0!	-
	500	3,650,000	2.16%	3,573,000	21.25%	2,946,842
	600	12,000	5.00%	10,000	10.13%	36,321
	700	1,000	0.0%	1,000	0.0%	1,380
	800	1,000	0.0%	1,000	#DIV/0!	-
	Total	4,474,322	3.28%	4,332,233	1.60%	4,264,029
1600						
	100	92,500	19.7%	82,500	14.5%	73,166
	200	3,000	42.8%	2,000	2.4%	20,322
	300	6,000	4.3%	5,000	-4%	58,877
	400	1,000	-9.05%	1,000	#DIV/0!	-
	500	5,000	19.05%	4,200	6.25%	3,953
	600	1,200	-7.69%	1,300	#DIV/0!	-
	700	-	#DIV/0!	-	#DIV/0!	-
	800	1,000	3.3%	1,000	0.0%	-
	Total	19,700	3.3%	17,300	5.1%	15,318
Total 1000		164,755,027	5.97%	155,466,149	4.46%	148,834,235
200						
2100						
	100	6,867,225	3.50%	6,635,000	4.50%	6,348,985
	200	3,231,885	5.92%	3,051,378	24.96%	2,441,856
	300	133,000	2.3%	130,000	2.10%	127,330
	400	1,000	0.0%	1,200	2122.22%	9
	500	1,000	0.0%	1,000	58.98%	629
	600	4,000	3.3%	3,500	18.35%	33,798
	700	-	#DIV/0!	-	#DIV/0!	-
	800	-	#DIV/0!	-	#DIV/0!	-

Sample
The PDE budget
Form (PDE-2028) is not
available for usage
At this time. We will
enter our budget data
and post the form on our
Website as soon as it is
Available.

Agenda Item

Asking for Board Authorization to Post the Proposed Preliminary 2014-15 Budget on the District Web Site in the Amount of \$299,482,939 and apply to PDE to analyze the Act 1 exceptions for which the district may be eligible.

This posting will launch the 2014-15 budget process.

