



# 2018-2019 BUDGET

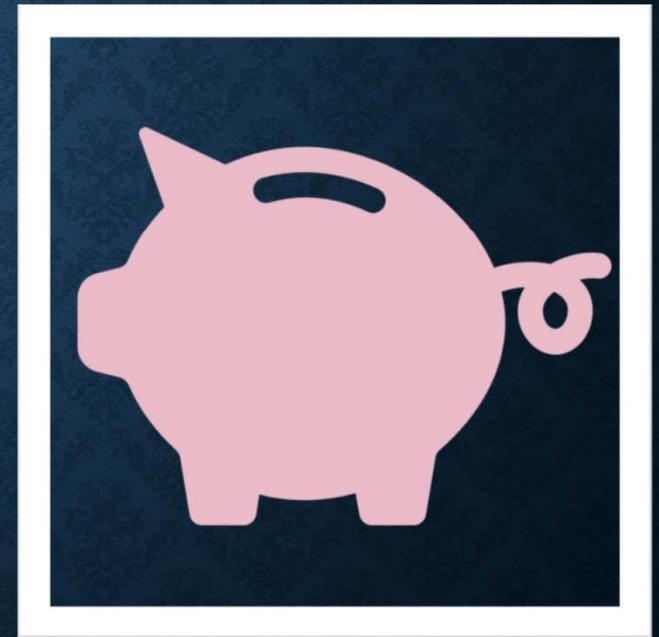


Consideration to Adopt the Final Budget  
June 12<sup>th</sup>, 2018



# BUDGET COMPONENTS

- Revenue Review
- Expenditure Review
- Millage Impact
- Summary

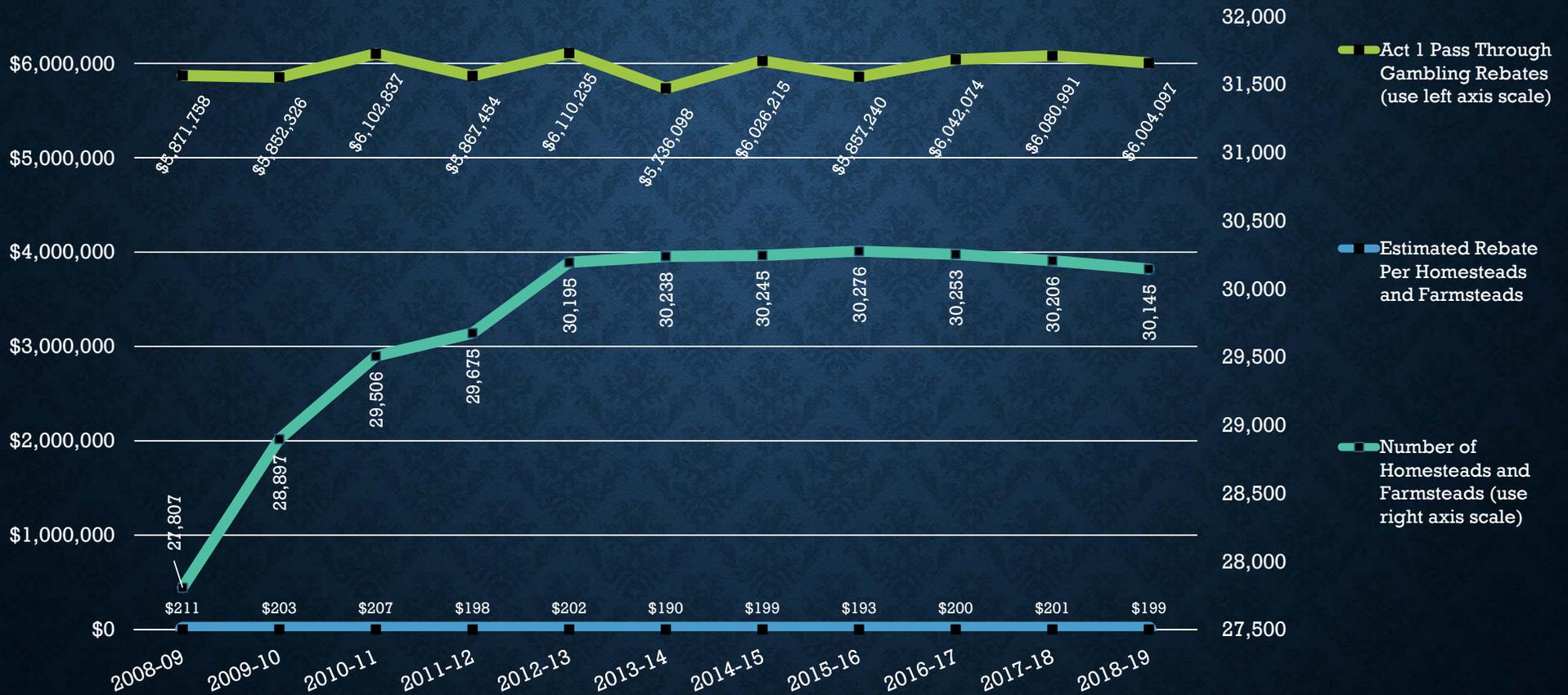


# REVENUES



# ACT 1 PROPERTY TAX RELIEF IN CBSD

## Estimated Homeowner Rebates From State Tax on Casino Operations



# R.E. TAX REVENUE FOR CBSD

Description	2018-19 May Budget
Real Estate Tax Revenue Before State Gambling Rebate	\$223,151,481
Less: State Gambling Tax Relief	\$5,994,705
Less: Prior Year Undistributed Tax Relief (Act 1 Round Down)	\$9,391
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Revised Current Real Estate Tax Budgeted Revenue	\$217,147,385
Gambling Tax Relief Compared to Prior Year	-\$76,895
Number of Homesteads and Farmsteads	30,145
State Gambling Relief Per Homestead & Farmstead	\$199.06
Change in State Gambling Relief per Homestead & Farmstead	-\$2.48

# REVENUE ADJUSTMENTS SINCE APRIL

Description	May 2018-19	April 2018-19	Projection \$	
	Budget	Projection	Change	
CURRENT REAL ESTATE TAXES (assessment growth)	217,147,385	216,969,227	178,158	Lower state gambling relief and higher county assessment report
INTERIM REAL ESTATE TAXES	2,100,000	2,100,000	0	
EARNED INCOME TAX	26,107,410	26,107,410	0	
REAL ESTATE TRANSFER TAX	5,715,628	5,807,500	-91,872	Reduced due to current year projections
DELINQUENCIES ON REAL ESTATE TAXES	2,609,501	2,609,501	0	
DELINQUENCIES ON EARNED INCOME TAXES	750,000	850,000	-100,000	Reduced due to three year trending
INTEREST EARNINGS, TEMP DEPOSITS	1,425,000	1,425,000	0	
ID.E.A. FUNDS FROM IU.#22	2,457,390	2,457,390	0	
TUITION FOR INCARCERATED STUDENTS	408,238	385,720	22,518	Slightly upward trend over past three years
COMMUNITY SCHOOL PROGRAMS	3,931,000	3,698,725	232,275	Community school revenues are projected to increase and aquatics has access to CB East over the summer
ALL OTHER LOCAL REVENUES	1,332,565	1,487,359	-154,794	Revenue from tuition, public utilities, & Misc. Down
<b>Local Revenue Totals</b>	<b>\$263,984,117</b>	<b>\$263,897,832</b>	<b>\$86,285</b>	State gambling discount is down, increases local revenue share of the budget

# LOCAL SOURCES OF REVENUE FOR CBSD

Description	2018-19	2017-18	Projection \$	Projection %
	Budget	Projection	Change	Change
CURRENT REAL ESTATE TAXES (assessment growth)	217,147,385	214,662,342	2,485,043	1.2%
INTERIM REAL ESTATE TAXES	2,100,000	1,650,000	450,000	27.3%
EARNED INCOME TAX	26,107,410	25,361,900	745,510	2.9%
REAL ESTATE TRANSFER TAX	5,715,628	5,600,000	115,628	2.1%
DELINQUENCIES ON REAL ESTATE TAXES	2,609,501	2,575,000	34,501	1.3%
DELINQUENCIES ON EARNED INCOME TAXES	750,000	688,100	61,900	9.0%
INTEREST EARNINGS, TEMP DEPOSITS	1,425,000	1,200,000	225,000	18.8%
I.D.E.A. FUNDS FROM I.U.#22	2,457,390	2,457,390	0	0.0%
TUITION FOR INCARCERATED STUDENTS	408,238	385,720	22,518	5.8%
COMMUNITY SCHOOL PROGRAMS	3,931,000	3,717,500	213,500	5.7%
ALL OTHER LOCAL REVENUES(Clean & Green Breeches)	1,332,565	1,456,106	-123,541	-8.5%
<b>Local Revenue Totals</b>	<b>\$263,984,117</b>	<b>\$259,754,058</b>	<b>\$4,230,059</b>	<b>1.6%</b>

# STATE SOURCES OF REVENUE FOR CBSD

Description	2018-19	2017-18	Projection \$	Projection %
	Budget	Projection	Change	Change
Basic Instructional Subsidy	18,327,188	17,990,348	336,840	1.9%
Tuition, Wards of State and Foster Care Students	162,000	180,000	-18,000	-10.0%
Special Educ./Except. Pupils	7,217,433	7,161,993	55,440	0.8%
Misc. State Grants	0	0	0	0.0%
Accountability Block Grant	1,024,042	1,024,042	0	0.0%
Transportation	3,213,505	3,213,504	1	0.0%
Rental & Sinking Fund Reimb.	1,085,514	1,255,930	-170,416	-13.6%
Health Services	370,000	363,266	6,734	1.9%
Gambling Proceeds for R.E. Tax Reduction	5,994,705	6,080,991	-86,286	-1.4%
Social Security Payments Reimbursement	6,024,759	5,693,539	331,220	5.8%
Retirement Payments Reimbursement	27,444,004	25,280,868	2,163,136	8.6%
<b>State Revenue Totals</b>	<b>\$70,863,150</b>	<b>\$68,244,481</b>	<b>\$2,618,669</b>	<b>3.8%</b>

# FEDERAL SOURCES OF REVENUE FOR CBSD

Description	2018-19	2017-18	Projection \$	Projection %
	Budget	Projection	Change	Change
Title 1 Reading and Math	642,005	642,005	0	0.0%
Title 2 Staff and Curriculum Development	274,340	274,340	0	0.0%
Title 3 Limited English Proficiency	53,474	53,208	266	0.5%
Medical Assistance Reimbursement (ACCESS)	1,272,340	1,285,000	-12,660	-1.0%
Administrative Reimbursement for ACCESS	44,105	44,550	-445	-1.0%
Other Federal revenue	7,119	7,119	0	0.0%
Other Revenue (use of Fund Balance)	0	0	0	0.0%
<b>Federal and Other Revenue Totals</b>	<b>\$2,293,383</b>	<b>\$2,306,222</b>	<b>-\$12,839</b>	<b>-0.6%</b>
<b>Total of All Revenue</b>	<b>\$337,140,650</b>	<b>\$330,304,761</b>	<b>\$6,835,889</b>	<b>2.1%</b>

# EXPENSES



## EXPENSE ADJUSTMENTS SINCE APRIL

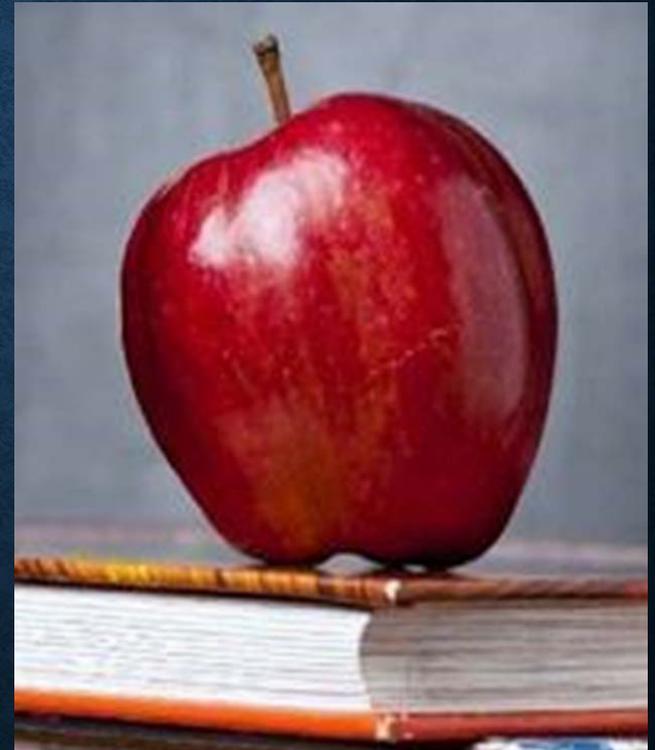
Acct Code	Expense Category	May 2018-19 Budget	April 2018-19 Budget	Category \$ Change
100	Custodial payroll decreased due to expense off-sets (facility use fees & food service reimbursements for cleaning & trash	161,687,102	162,279,160	\$ (592,058)
200	Benefits: Health, Rx, Dental, Etc.	98,497,679	98,501,069	\$ (3,390)
300	Addition for professional services, primarily security.	6,309,944	6,118,871	\$ 191,073
400	Funding for software upgrade for HR, payroll, finance, purchasing	4,883,008	4,651,908	\$ 231,100
500	Increased budget to address increasing charter school & Approved Private School (special Ed.) tuition expenses.	21,068,566	20,933,240	\$ 135,326
600	Reclassify some equipment expenses to supplies (per PDE) and some other small adjustments based on current trends.	11,417,075	11,337,602	\$ 79,473
700	Reclassify some equipment expenses to the supply area.	548,594	564,568	\$ (15,974)
800	Budget adjustment for membership dues based upon past history.	3,213,682	3,239,232	\$ (25,550)
900	Debt Principal, capital budgeting, no changes	29,515,000	29,515,000	\$ -
<b>Total budget</b>		<b>\$337,140,650</b>	<b>\$337,140,650</b>	<b>\$0</b>

# BUDGET TO PROJECTED ACTUALS

Acct Code	Category	2018-19 Budget	2017-18 Projected Actual	Category % Change
100	Salaries	161,687,102	156,128,547	3.56%
200	Employee Benefits (PSERS Increase \$6.2M Health Care \$650k)	98,497,679	95,142,853	3.53%
300	Prof. Services, Special Ed OT/PT., EIT Tax, Legal	6,309,944	5,151,850	22.48%
400	Rentals, Repairs, Field Maintenance, Painting, electricity	4,883,008	6,479,488	-24.64%
500	Contracted Services, Transp., MBIT, IU, Charter Sch, Alt Sch.	21,068,566	19,687,451	7.02%
600	Text books, Supplies, Natural Gas, Electricity, Diesel, Heating Oil	11,417,075	8,325,431	37.13%
700	Equipment (printers, laminators, science, athletic, facilities)	548,594	129,098	324.94%
800	Interest Payments on Bonds	3,213,682	3,680,002	-12.67%
900	Debt Principal, Buses, Technology, Building Renovations	29,515,000	38,980,000	-24.28%
Adjustment for 2016-17 fund balance transfer occurring during 2017-18 for Tech & Capital			(6,000,000)	
<b>Total budget</b>		<b>\$337,140,650</b>	<b>\$327,704,720</b>	<b>2.88%</b>

Positive Budget Variance (revenues and expenses) \$3,200,000

# MILLAGE IMPACT



# MILLAGE CALCULATION

- ◎ The Act 1 Real Estate Tax Increase Limit = Base Inflation Index of 2.4% + 0.4% Retirement Exception = 2.8% or 3.5 Mills
- ◎ The 2018-19 Proposed Millage Rate is 124.1 mills + 0.0 Mills = 124.1 Mills = 0% Increase
- ◎ For the Typical Homeowner Assessed @ 40,000
  - ◎ Assessment x 124.1 mills = Gross Tax Bill = \$4,964.00
  - ◎ Less gambling relief (2017-18 tax relief is \$201.54) = -199.06
  - ◎ Tax bill with tax relief \$4,764.94
  - ◎ Real estate tax bill compared to the current year = + \$2.48

# ACT 1 TAX INDEX + EXCEPTIONS

	Act 1 Index with Allowable Exceptions in Mills	Actual CBSD Millage Increase	Status
2007-08	5.9	3.8	Actual
2008-09	5.6	4.6	Actual
2009-10	5.4	4.3	Actual
2010-11	4.7	4.4	Actual
2011-12	3.2	1.6	Actual
2012-13	3.6	2.0	Actual
2013-14	3.4	0.0	Actual
2014-15	4.9	1.3	Actual
2015-16	3.7	0.0	Actual
2016-17	4.3	0.0	Actual
2017-18	4.3	0.0	Actual
2018-19	3.5	0.0	Proposed
<b>Total Mills</b>	<b>52.5</b>	<b>22.0</b>	

# SUMMARY

- The Final Budget for 2018-19 is \$337,140,650
- \$9,435,930 Increase over the 2017-18 Projected Actual Expenditures
  - Contracted salaries and benefits growing by \$8.9M.
  - Elem. Math, ELD, Athletic, Health, Communication, PSU facilities, professional services growing by \$700k.
  - Contracted transportation is growing by \$400k
  - Some budget lines show reductions for next year

# SUMMARY CONTINUED

## Budget initiatives of:

- ✓ Technology –
  - ✓ iPads and Laptops K - 6
  - ✓ Laptop 1:1 Initiative for Grades 7 and 8
  - ✓ Replacing Outdated Laptops at the High Schools
  - ✓ Wireless Initiative at the High Schools, 40% E-rate Discount
  - ✓ Replace Network Infrastructure Switches, 40% E-Rate Discount
- ✓ Meeting the Needs of our Special Education Students
- ✓ Professional Development on New Elementary Math Program
- ✓ Focus on Social and Emotional Wellness
- ✓ Continuing to improve the infrastructure of our schools
  - ✓ Focus on school security

## **NEXT STEPS FOR JUNE 12<sup>TH</sup> . . . .**

### **◎ Board of School Directors**

- Consideration to adopt the 2018-19 Final Budget in the amount of \$337,140,650**
- Consideration to adopt the resolution for the 2018-19 Homestead and Farmstead real estate tax relief of \$199.06**
- Consideration to adopt the taxing resolution for real estate, earned income, and electric utilities**

**CENTRAL BUCKS SCHOOL DISTRICT**

**Final Budget for General Fund Approval Resolution**

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

The proposed Final Budget of the School District for the 2018-2019 fiscal year on form PDE-2028 as presented to the School Board is adopted as a Final Budget for the School District General Fund in the amount of \$337,140,650

## CENTRAL BUCKS SCHOOL DISTRICT

**2018-19 Homestead and Farmstead Exclusion Resolution**

**RESOLVED**, by the Board of School Directors of Central Bucks School District, that homestead and farmstead exclusion real estate tax assessment reductions are authorized for the school year beginning July 1, 2018 under the provisions of the Homestead Property Exclusion Program Act (part of Act 50 of 1998) and the Taxpayer Relief Act (Act 1 of 2006), as follows:

1. **Aggregate amount available for homestead and farmstead real estate tax reduction.** The following amounts are available for homestead and farmstead real estate tax reduction for the school year beginning July 1, 2018:

a. **Gambling tax funds.** The Pennsylvania Department of Education (PDE) has notified the School District that PDE will pay to the School District during the school year pursuant to Act 1, 53 P.S. § 6926.505(b), as a property tax reduction allocation funded by gambling tax funds, the amount of \$4,727,758.48.

b. **Prior year under-distribution of property tax reduction funds.** Funds are available for property tax reduction as a result of an undistributed amount remaining from property tax reduction funds PDE paid to the School District in the 2017-2018 school year. This amount from the prior year will add to the property tax reduction allocation for this school year the amount of \$9,391.10.

c. **Prior year over-distribution of property tax reduction funds.** During the 2017-2018 school year, the School District provided aggregate property tax reductions beyond the amount PDE paid to the School District for this purpose. This excess reduction from the prior year will result in deduction from the property tax reduction allocation for this school year in the amount of \$0.00.

d. **Philadelphia tax credit reimbursement funds.** PDE has notified the School District that PDE will pay to the School District during the school year pursuant to Act 1, 53 P.S. § 6926.324(3), as reimbursement for Philadelphia tax credits claimed against the School District earned income tax by School District resident taxpayers, the amount of \$1,266,946.98.

*[Act 1 requires PDE to notify the School District of this amount by May 1.]*

e. **Aggregate amount available.** Adding these amounts, the aggregate amount available during the school year for real estate tax reduction is \$6,004,096.56

2. **Homestead/farmstead numbers.** Pursuant to Act 50, 54 Pa. C.S. § 8584(i), and Act 1, 53 P.S. § 6926.341(g)(3), the County has provided the School District with a certified report listing approved homesteads and approved farmsteads as follows:

a. **Homestead property number.** The number of approved homesteads within the School District is 30,022.

b. **Farmstead property number.** The number of approved farmsteads within the School District is 123.

c. **Homestead/farmstead combined number.** Adding these numbers, the aggregate number of approved homesteads and approved farmsteads is 30,145.

*[The County Assessment Office is obligated to provide these numbers and a tax duplicate to the School District by May 1.]*

3. **Real estate tax reduction calculation.** The school board has decided that the homestead exclusion amount and the farmstead exclusion amount shall be equal. Dividing the paragraph 1(e) aggregate amount available during the school year for real estate tax reduction of \$6,004,096.56 the paragraph 2(c) aggregate number of approved homesteads and approved farmsteads of 30,145, the maximum real estate tax reduction amount applicable to each approved homestead and to each approved farmstead is \$199.17.

4. **Homestead exclusion calculation.** Dividing the paragraph 3 maximum real estate tax reduction amount of \$199.17 by the School District real estate tax rate of 124.1 mills (.1241), the maximum real estate assessed value reduction to be reflected on tax notices as a homestead exclusion for each approved homestead is \$1,604, (*rounded down to the nearest dollar per Act 1*) and the maximum real estate assessed value reduction to be reflected on tax notices as a farmstead exclusion for each approved farmstead is \$1,604.

5. **Homestead/farmstead exclusion authorization – July 1 tax bills.** The tax notice issued to the owner of each approved homestead within the School District shall reflect a homestead exclusion real estate assessed value reduction equal to the lesser of: (a) the County-established assessed value of the homestead, or (b) the paragraph 4 maximum real estate assessed value reduction of \$1,604. The tax notice issued to the owner of each approved farmstead within the School District shall reflect an additional farmstead exclusion real estate assessed value reduction equal to the lesser of: (a) the County-established assessed value of the farmstead, or (b) the paragraph 4 maximum real estate assessed value reduction of \$1,604. For purposes of this Resolution, “approved homestead” and “approved farmstead” shall mean homesteads and farmsteads listed in the report referred to in paragraph 2 above and received by the School District from the County Assessment Office on or before May 1 pursuant to Act 1, 53 P.S. § 6926.341(g)(3), based on homestead/farmstead applications filed with the County Assessment Office on or before March 1. This paragraph 5 will apply to tax notices issued based on the initial tax duplicate used in issuing initial real estate tax notices for the school year, which will be issued on or promptly after July 1, and will not apply to interim real estate tax bills.

## CENTRAL BUCKS SCHOOL DISTRICT

### 2018-19 Annual Tax Levy Resolution

**RESOLVED**, by the Board of School Directors of Central Bucks School District, that taxes are levied for school purposes for the school year beginning July 1, 2018, subject to the provisions of the Local Tax Collection Law, as follows:

1. **Real estate tax.** Real estate tax of 124.1 mills (or \$12.41 per \$100 of assessment) on the assessed value of all real property taxable for school purposes in this School District. (Levied under School Code §§ 672 and 673.)
2. **Interim real estate tax.** Interim real estate tax of 124.1 mills (or \$12.41 per \$100 of assessment) on the assessed value of taxable real property, as stated in interim real estate assessment notices, that constitutes construction of a building, an improvement to a building, or other improvement to real property, not otherwise exempt from taxation. The interim real estate tax is part of the real estate tax levy, and applies to the assessed value of taxable real property not included in the initial tax duplicate used in issuing initial real estate tax notices for the school year. Tax assessors are directed to inspect and assess all taxable real property in the School District to which any improvement has been made, and to give notice of change in assessed value as required by law. The interim real estate tax applies for that proportionate part of the School District fiscal year remaining after the property was improved. (Levied under School Code § 677.1.)
3. **Utility realty used to generate electricity.** The real estate tax and the interim real estate tax apply to all real property taxable for school purposes, including all property listed in the definition of “utility realty” under § 8101-A(3) of the Public Utility Realty Tax Act, that was classified in such definition as “utility realty” prior to January 1, 2000, and that was removed from such definition effective January 1, 2000, because used in generating electricity. The tax applies to such property to the maximum extent permissible under the Pennsylvania Constitution and the Public Utility Realty Tax Act.
4. **Tax due date/delinquent status.**
  - a. The real estate tax is due and payable on July 1, 2018, and this will be the date of the tax notice issued to the owner for real estate tax other than interim real estate tax. Unless installment payment has been elected under the Central Bucks School District Real Estate Tax Installment Payment Plan, the real estate tax is delinquent if not paid in full within four (4) months after the date of the tax notice issued to the owner – by October 31, 2018, for tax other than interim real estate tax.
  - b. The interim real estate tax is due and payable on the first day of the month after the month in which any improvement or addition to real property has been made. The interim real estate tax is delinquent if not paid in full within four (4) months after the date of the tax notice issued to the owner.
5. **Discount and penalty.** All taxpayers are entitled to a discount of two percent (2%) from the amount of the real estate tax or interim real estate tax by making payment of the entire tax amount within two (2) months after the date of the tax notice – by August 31, 2018, for tax other than interim real estate tax. Unless installment payment has been elected under the Central Bucks School District Real Estate Tax Installment Payment Plan, a taxpayer will be charged a penalty of ten percent (10%) of the tax, which penalty will be added to the tax, if the tax is not paid in full within four (4) months after the date of the tax notice – by October 31, 2018, for tax other than interim real estate tax. (Discount and penalty rules established under Local Tax Collection Law, 72 P.S. § 5511.10.)

6. **Severability.** The provisions of this resolution are severable and, if any section, clause, sentence, part or provision is determined to be illegal, invalid or unconstitutional, such determination will not affect or impair any of the remaining sections, clauses, sentences, parts or provisions of this resolution. It is declared to be the intent of this school district that this resolution would have been adopted even if any such illegal, invalid or unconstitutional section, clause, sentence, part or provision had not been included in this resolution.

7. **Continuation of other taxes.** The Board has previously imposed other taxes that do not require an annual levy. Without modifying or amending such taxes in any manner, the Board ratifies continuation of the following previously imposed taxes that do not require an annual levy:

a. **Real estate transfer tax.** Real estate transfer tax of 1.0%. (School District receives .5%, and municipalities receive .5%. Levied under the Pennsylvania Real Estate Transfer Tax Act and the Local Tax Enabling Act, Act 511.)

b. **Earned income and net profits tax.** 1% School District tax levied under the Local Tax Enabling Act, Act 511;

I certify that the foregoing is a true and correct copy of a resolution adopted by the Board of School Directors at a meeting thereof legally held on June 12<sup>th</sup>, 2018.

CENTRAL BUCKS SCHOOL DISTRICT

Date June 12<sup>th</sup>, 2018

Sharon L. Reiner

Secretary

(School District Seal)

