



BEST PRACTICES IN SCHOOL BUDGETING

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March 21 - 24, 2017 ~ David L. Lawrence Convention Center, Pittsburgh

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BIOGRAPHY

- Serving as Business Administrator for the Lehigh Career & Technical Institute, Schnecksville, PA since 2012 and in PA School Business since 2004 with eight years as Business Administrator
- Entered PA School Business from the manufacturing sector and NJ SD experience
- BA in Business Administration with an Accounting Option from Rutgers College, Rutgers University

CAREER & TECHNICAL EDUCATION

- From The Education Policy and Leadership Center February 2016 report on High School Career and Technical Education:
- Youth unemployment rates in PA and nationally are significantly higher than the overall state and national unemployment rates
- In PA, the cost of public higher education and the level of student indebtedness for those who leave college with or without a degree are among the highest levels in the nation

CAREER & TECHNICAL EDUCATION

- There exists in PA a very large gap between available and prospective jobs and the skills of the available workforce
- Leaders from business & industry and state & regional policy leaders worry about the capacity of the PA workforce to fulfill the needs of employers in PA
- Not your Grandpa's vocation education! Programs now tied to high quality industry certifications

LCTI GENERAL FUNDS

- General Fund - #10 – General Operating Fund
- General Fund - #12 – Adult Education
- General Fund - #13 – Academic Center (all day program option)

FUND #10 – GENERAL OPERATING FUND

- Proportional cost split among sponsoring districts based on 5 year average of ADMs for:
 - Budgets for all half day CTE programs
 - On the revenue side, this Fund contains Pa Secondary Career and Technical Education Subsidy, PA Equipment Grants, PSERS Subsidy, Social Security Subsidy and Federal Perkins funding
- Proportional cost split among sponsoring districts based on prior year market values for:
 - Debt Service
 - Transfer for Capital Reserve - Facility
 - Transfer for Capital Reserve – Technology Infrastructure
- Excess Revenues returned to sponsoring districts in the next fiscal year

FUND #12 – ADULT EDUCATION

- Contains program generated revenues and expenditures
- CDL, Heavy Equipment Operations, Electromechanical and Precision Machining are some of programs requested by the Lehigh Valley job market leaders
- Not subject to return of excess revenues to Sponsoring District since Adult Ed programs operate using program generated revenues
- Rationale - profits retained and used to start new programs and buy program equipment
- Adult Education programs must respond quickly to the needs of the regional area as requested by Business & Industry leaders and those that partner with the CTC

FUND #13 – ACADEMIC CENTER

- Proportional cost split among sponsoring districts based on 5 year average of ADMs for:
 - Budgets for programs to create a full day option
 - On the revenue side, contains PSERS Subsidy and Social Security Subsidy
- Rationale - aids Sponsoring Schools with temporary over crowding and those students at risk for drop out
- Excess Revenues returned to sponsoring districts in the next fiscal year

PRODUCTION FUND

The school's career and technical education (CTE) labs are maintained for the instruction of students, but it is recognized that some additional instruction may be provided utilizing live work projects. Live work projects must provide a valid educational experience, with deadlines that can be met without compromising other scheduled instructional activities.

PRODUCTION FUND

- Promotion of entrepreneurship
- Imitate business practices
- Instructors are uniquely qualified to expand the students learning using live work projects since education is generally a second career for these Instructors
- Supplements supply budgets funded by the General Fund
- Excess Revenues are not subject to return to the Sponsoring District and are used for operation of the “business”

PRODUCTION FUND - SAMPLE INTERNAL REPORT FORMAT

LAB NR.	DESCRIPTION	7/1/2016 BALANCE	7/1/16 - 1/31/17 REVENUE	7/1/16 - 1/31/17 EXPENSES	PROFIT OR (LOSS)	1/31/2017 BALANCE
	CATEGORY 15					
041 / 070	PRECISION MACHINE TOOL	(\$2,770.14)	\$369.89	\$803.41	(\$433.52)	(\$3,203.66)
050 / 077	WELDING / WELDING LI	\$3,666.39	\$689.81	\$899.20	(\$209.39)	\$3,457.00
082	BLDG TRADES MAINT CAP	\$3,030.93	\$0.00	\$0.00	\$0.00	\$3,030.93
083	PAINTING & DECORATING	\$905.02	\$419.00	\$1,736.36	(\$1,317.36)	(\$412.34)
085	CARPENTRY CAP	\$1,790.80	\$0.00	\$0.00	\$0.00	\$1,790.80
185	COMM VEH / AUTO SVC CAP	\$11,463.02	\$2,242.35	\$2,789.88	(\$547.53)	\$10,915.49
	SUBTOTAL BY SUPERVISOR CATEGORY	\$18,086.02	\$3,721.05	\$6,228.85	(\$2,507.80)	\$15,578.22

PRODUCTION FUND – USES OF EXCESS REVENUE

- Outside of the budget process, Instructors can respond to their “business” needs more quickly.
- On going costs of the “business” (i.e. specific hand tools)
- New equipment for the “business” (i.e. POS system for the restaurant)
- Payment of industry Certifications for completing students



BEST PRACTICES IN SCHOOL BUDGETING ELIZABETH FORWARD SCHOOL DISTRICT

RICHARD FANTAUZZI, PRSBA
DIRECTOR OF FINANCE & OPERATIONS



BIOGRAPHY

- Director of Finance & Operations, Elizabeth Forward SD - 2007
- Business Manager, Monessen City School District - 2000
- Chief Financial Officer, Westmoreland Children & Youth Services
- Bachelor's Degree - Accounting, Robert Morris College – 1996
- Master's Degree - School Business Leadership, Wilkes Univ – 2009
- PASBO President, 2013-2014



COMMUNICATIONS ARE THE KEYS

- Board of School Directors
 - Timeline - Review or Action required each
 - Budget Book
 - Monthly Fund Balance update
- Department Heads
 - Ongoing Review of budget status



COMMUNICATIONS ARE THE KEYS

- Building Level Administrators
 - Monthly reports
 - Historical analysis
 - Upcoming needs
 - Wish lists conversations
 - Facility needs



BEST PRACTICES IN BUDGETING FROM CENTENNIAL SCHOOL DISTRICT

CHRISTOPHER M. BERDNIK, PRSBA
CHIEF FINANCIAL OFFICER

CASE STUDY – A TALE OF THREE DISTRICTS

- **Pittsburgh**
 - Highly decorated business office (ASBO: budget and CAFR; GFOA: budget, CAFR, and PAFR; NIGP: OA4 purchasing; PA L&I safety; PASBO: award of achievement 3x, facilities gold; PASI workers' comp).
- **Bensalem**
 - Larger suburban, single high school district bordering Philadelphia;
 - Key challenge correcting qualified audit opinion and largest fraud in Bucks County history.
- **Centennial**
 - Larger suburban, single high school district in lower Bucks County, serving three municipalities;
 - Priority addressing deferred capital and instructional needs.

FITCH RATINGS BEST PRACTICES: “12 HABITS OF HIGHLY SUCCESSFUL FINANCE OFFICERS”

- Fund balance reserve policy/working capital reserves;
- Debt affordability reviews and policies;
- Managing asset-liability mix;
- Superior debt disclosure practices;
- Pay-as-you-go capital funding policies;
- Rapid debt retirement policies;

FITCH RATINGS BEST PRACTICES (CONT.):
“12 HABITS OF HIGHLY SUCCESSFUL FINANCE OFFICERS”

- Conservative multiyear financial forecasting;
- Monthly or quarterly financial reporting and monitoring that provide timely warnings of variances from budget;
- Contingency planning policies;
- Use of nonrecurring revenue only for one-time or discretionary spending that will not entail future spending pressure;
- Five-year capital improvement plans that integrate operating costs of new facilities.

FITCH RATINGS WORST PRACTICES:
“12 HABITS OF HIGHLY SUCCESSFUL FINANCE OFFICERS”

- Cash basis accounting;
- Qualified audit opinions;
- Deficit financing for two of the past five years;
- Slow debt retirement (less than 35% in 10 years);
- Unfunded accrued pension liability (funding ratio < 60%);
- Tax and revenue anticipation note financing growing significantly faster than annual spending;

FITCH RATINGS WORST PRACTICES: “12 HABITS OF HIGHLY SUCCESSFUL FINANCE OFFICERS”

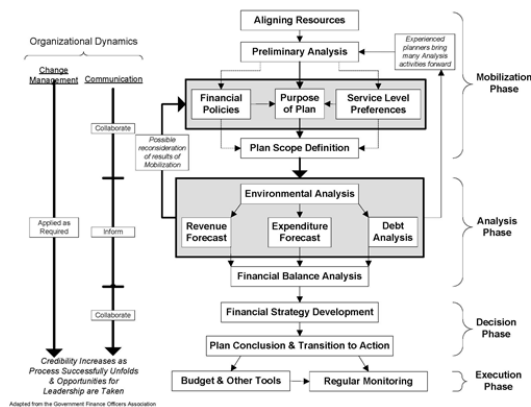
- Debt restructuring that defers more than 35% of current debt service;
- Reliance on nonrecurring revenue for recurring expenses;
- An aggressive investment policy for operating funds;
- A pension contribution deferral in the current budget year;
- A budgetary impasse beyond legal completion date;
- A lack of a capital improvement plan;
- Excess interfund borrowing with no capacity to repay.

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WHAT IS YOUR MODEL?



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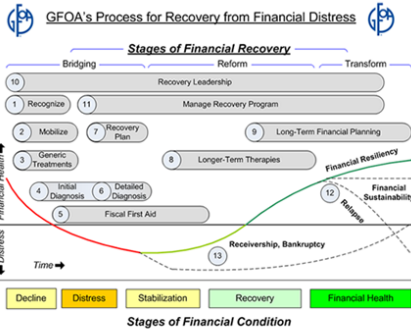
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WHAT IS YOUR STARTING POINT?

Process for Recovering from Financial Distress

Welcome to the process for recovering from financial distress. The diagram below illustrates the recovery process. You can:

- [Get an overview of the process.](#)
- [Begin a complete walkthrough of the process.](#)
- Click on the numbered items to jump right to that section



[12 Step Diagram Acknowledgement](#)

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GUIDING QUESTIONS FOR YOUR BOARD, #1

- Inflation impacts the non-personnel expenditure budget of the school district. It is the Board's expectation that:
 - The non-personnel budget should increase with inflation;
 - **The non-personnel budget should be more or less flat, reflecting cost savings or tighter estimates to offset inflation;**
 - The non-personnel budget should decrease even in light of inflation.

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GUIDING QUESTIONS FOR YOUR BOARD, #2

- Existing contracts and PSERS employer contributions will rise if staffing is flat. It is the Board's expectation that:
 - **Programming (instructional and otherwise) should be net-zero FTE, meaning no more or no less staff (which will have the effect of increasing salary and benefit costs);**
 - Programming (instructional and otherwise) should be reduced in part or in whole to offset the increasing cost per employee.

GUIDING QUESTIONS FOR YOUR BOARD, #3

- Our median real estate burden for households is on the low side for Bucks County. It is the Board's expectation that:
 - The district should file for all Act 1 exceptions just in case, but we want a zero tax increase for 2015-16;
 - **An Act 1 increase of 1.9% might be a good assumption;**
 - A desire to maintain program in spite of PSERS et al requires an Act 1 increase PLUS some exceptions, should we qualify.

GUIDING QUESTIONS FOR YOUR BOARD, #4

- The Board (set targets) and staff (figure out how to get there) – should collaborate to:
 - **Prepare the best revenue and expenditure recommendation (put our best foot forward);**
 - Generate a half dozen or more scenarios which may or may not reflect anyone's best thinking.

SAMPLE MULTIYEAR PROJECTION

Centennial School District
 Multiyear Financial Planning Tool
 © Christopher H. Kurbik 2008
 The reader of this document agrees by definition that projections are designed to assist decision makers in selecting wisely. Projections change as inputs are adjusted, often quite frequently. Disclosure changes behavior. If you do not agree, please do not read further.

1/18/2017

Directions: You may only make selections in certain highlighted cells by pulling down the menu.

	2015/16 Projected	2016/17 Budget	2017/18 Projected	2018/19 Projected	2019/20 Projected	2020/21 Projected
Beginning All-in Fund Balance	10,041,303	10,318,055	10,318,055	7,754,320	1,332,678	(6,191,705)
6000 Local Revenue	78,589,104	80,932,499	81,186,866	82,036,018	82,435,953	82,837,921
7000 State Subsidies	27,070,202	29,298,002	30,466,176	30,820,004	31,528,911	32,338,707
8000 Federal Programs	1,402,688	1,040,241	1,204,314	1,204,314	1,204,314	1,204,314
9000 Other Financing Sources	15,573	25,000	25,000	25,000	25,000	25,000
Total Revenues	107,077,567	111,295,742	112,884,356	113,885,336	115,194,158	116,405,242
100 Wages and Salaries	53,109,637	53,280,000	54,824,854	55,749,120	56,374,119	57,021,592
120 Employee Benefits	25,907,432	26,632,348	30,927,118	32,701,542	34,189,340	35,222,308
300 Purchased Profession & Tech Svcs	5,830,171	5,228,707	5,577,504	6,346,066	6,409,527	6,473,629
400 Purchased Services/Maintenance	2,041,757	2,113,656	1,925,942	1,945,208	1,964,661	1,984,307
500 Other Purchased Services	3,345,203	6,099,004	6,243,409	6,313,958	6,377,081	6,440,847
600 Supplies/Food	2,822,246	3,063,566	3,306,279	3,340,168	3,375,578	3,407,305
700 Equipment and Property	1,237,229	1,766,962	1,717,255	1,699,583	1,716,580	1,733,746
800 Dues/Fees/Interest on Debt	6,260,521	7,507,397	6,990,176	7,045,195	7,101,571	7,158,506
900 Debt Principal Paym'ts & Fund Transfrs	6,146,583	4,103,902	4,435,354	5,666,160	5,702,124	5,738,445
Total Expenditures	108,200,759	111,795,742	115,948,091	120,806,978	123,218,561	125,302,887
Annual Surplus/(Deficit)	(1,123,191)	(500,000)	(3,063,735)	(6,921,642)	(8,024,383)	(8,774,745)
Beginning Fund Balance	1,000,000	500,000	500,000	500,000	500,000	500,000
Add Back Contingency for Emergencies		500,000	500,000	500,000	500,000	500,000
Adjusted Annual Surplus/(Deficit)	276,752	-	(2,563,735)	(6,421,642)	(7,524,383)	(8,274,745)
Ending All-in Fund Balance	10,318,055	10,318,055	7,754,320	1,332,678	(6,191,705)	(14,466,450)

SAMPLE MULTIYEAR ASSUMPTIONS

Centennial School District
Multiyear Financial Planning Tool
© City of Denver, CO 2016

3/7/2017

	2016/16	2016/17	2017/18	2018/19	2019/20	2020/21
Major Assumptions (Unless adjusted above)	Ad. Budget	Working File	Projected	Projected	Projected	Projected
Direct & projected AET base growth %	Per budget	Per budget	Per draft	0.50%	0.50%	0.50%
Revenue AET	Per budget	Per budget	Per draft	0.50%	0.50%	0.50%
The above assumptions already bake in development of closed/sold school property. Do not count on this twice.						
PICSA	Per budget	Per budget	Per draft	1.11%	1.11%	1.11%
OPT	Per budget	Per budget	Per draft	0.50%	0.50%	0.50%
LET	Per budget	Per budget	Per draft	0.50%	0.50%	0.50%
RE Transfer	Per budget	Per budget	Per draft	0.50%	0.50%	0.50%
The above assumption already bakes in development of closed/sold school property. Do not count on this twice.						
OPT	Per budget	Per budget	Per draft	0.50%	0.50%	0.50%
Maintenance	Per budget	Per budget	Per draft	0.50%	0.50%	0.50%
Delinquent RET	Per budget	Per budget	Per draft	0.50%	0.50%	0.50%
Delinquent ET	Per budget	Per budget	Per draft	0.50%	0.50%	0.50%
Delinq. Bus. Taxes	Per budget	Per budget	Per draft	0.50%	0.50%	0.50%
PICOT	Per budget	Per budget	Flag	Flag	Flag	Flag
All other Local Revenue growth	Per budget	Per budget	Various	1%	1%	1%
State & state subsidy growth (RTY/RTY/RTY)	Per budget	Per budget	0%	1%	1%	1%
PICU/PICIS Reimbursement %	Per budget	52.00%	52.00%	\$0.00%	\$0.00%	\$0.00%
Permit Landfill/CCA	Per budget	Per budget	Per draft	Flag	Flag	Flag
Staffing level	Per budget	Per budget	Flag	Flag	Flag	Flag
Natural retirement	Per budget	Per budget	12	12	12	12
Brand new programs are funding by	Per budget	Per budget	Zero sum cuts	Zero sum cuts	Zero sum cuts	Zero sum cuts
LMA Wages	Per budget	Per plan	Status quo	Status quo	Status quo	Status quo
SEA Wages	Per budget	Per plan	Per plan	Per plan	Per plan	Status quo
Support Staff Wages	Per budget	Per plan	Status quo	Status quo	Status quo	Status quo
PICU No Payroll	Per budget	0.65%	0.65%	0.65%	0.65%	0.65%
PICIS % Payroll	Per budget	32.03%	32.03%	34.13%	35.53%	35.53%
Medical Increase	Per budget	Per budget	3.27%	3%	3%	3%
Prescription increase	Per budget	Per budget	4.34%	3%	3%	3%
Dental increase	Per budget	Per renewal	3.59%	3%	3%	3%
Tuition/Outing/Support/Workers Comp	Per budget	Per renewal	0%	0%	0%	0%
Direct 500, 600, 500	Per budget	Per draft	Various	1%	1%	1%
Adjustment for one time BCLU credit 16/17	Per budget	Per draft	\$55,207	-	-	-
Expense 600, 500, 500 to 600	Per budget	Per draft	Various	1%	1%	1%
Contingency/Transfer/Other	Per budget	Per draft	Flag	Flag	Flag	Flag
Spec Fd. Transfer to the capital reserve fund	\$,000,000	\$,000,000	Per schedule	\$50,000	\$50,000	\$50,000
Spec Service	Per budget	Per budget	Per schedule	Per schedule	Per schedule	Per schedule

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DRILLING DOWN: CURRICULUM RENEWAL

CENTENNIAL SCHOOL DISTRICT CURRICULUM 6-YEAR RENEWAL CYCLE

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Evaluate	BCIT & Tech Ed.	Art & Music	W. Lang. & ESL	PE-Health & FCS	Math & RELA	S. Studies & Science
Plan	Spec. Ed. Library & Guidance	BCIT & Tech Ed.	Art & Music	W. Lang. & ESL	PE-Health & FCS	Math & RELA
Develop	Math & RELA	Spec. Ed. Library & Guidance	BCIT & Tech Ed.	Art & Music	W. Lang. & ESL	PE-Health & FCS
Develop	S. Studies & Science	Math & RELA	Spec. Ed. Library & Guidance	BCIT & Tech Ed.	Art & Music	W. Lang. & ESL
Implement		S. Studies & Science	Math & RELA	Spec. Ed. Library & Guidance	BCIT & Tech Ed.	Art & Music
Monitor & Adjust			S. Studies & Science	Math & RELA	Spec. Ed. Library & Guidance	BCIT & Tech Ed.

DRILLING DOWN: CURRICULUM RENEWAL

CENTENNIAL SCHOOL DISTRICT CURRICULUM 6-YEAR RENEWAL CYCLE

Stage of Cycle	Description / Tasks
1. Evaluate	The curriculum is reviewed for the purposes of content, alignment to standards, appropriateness, strategies, and national trends. This stage involves one or more of the following: evaluating the effectiveness of the existing curriculum through curriculum surveys, interviews with staff, review of student work samples, classroom visits, collaboration with colleagues, and analysis of student achievement data. In addition, the evaluation should address to what degree the curriculum is aligned vertically and horizontally, and examine and assess instructional materials.
2. Plan	This stage consists of reviewing current research from professional association literature, reviewing articulated standards (State, National, and International Standards), studying best practices in the discipline, conducting a literature review and/or book studies, attending conferences, contacting/networking with professional organizations, developing recommendations, examining exemplary curriculum, and conducting pilot studies, if needed. This is also the time to identify and prepare curriculum writers.
3. Develop	In this stage, the curriculum is created and designed utilizing the UbD Framework, aligned to Common Core and PA Core Content Standards, updated and/or adjusted according to the needs/recommendations gleaned from the evaluation stage.
4. Implement	This is the stage when the curriculum is put into practice in classrooms. Professional development is on-going and includes the knowledge, strategies, and assessment practices important to the new or re-designed curriculum. Conduct formal teacher/principal orientation on the Course of Study, the materials needed to support curriculum, and the use of assessment strategies and performance standards embedded in the curriculum.
5. Monitor and Adjust	The newly implemented curriculum is subject to continual program maintenance and monitoring to ensure adherence to the curriculum. This is also a time to address identified targets for refinement, as needed.

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DRILLING DOWN: TECHNOLOGY REFRESH

2016-2017 (Year 1)	2017-2018 (Year 2)	2018-2019 (Year 3)	2019-2020 (Year 4)	2020-2021 (Year 1)	2021-2022 (Year 2)
1000 iPads	1800 Devices -	1800 Devices -	1800 Devices	1400-1800 Devices	1400-1800 Devices
400 AppleTV	HS-4 grades	MS - 3 grades Elem	6th, 9th, Staff	6th, 9th, Elem	6th, 9th, Elem
200 CBs	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Controller	600 Access Points	Switches (rest of the district)	Phone Hardware Upgrade	Controller Core Switches	600 APs (eRate)
Core Switches	(eRate)	\$300,000	\$250,000	\$100,000	\$300,000
	(HS, MS, ELEM)				
	\$300,000				
Phone Software Upgrade	Virtual/Physical Servers (Building)	Layer 3 Network (another ISP Point)	Core Servers (Data Center)	Firewall	Virtual/Physical Servers (Building)
	\$25,000	\$25,000	\$75,000	iBoss/Web Filter	\$25,000
				\$100,000	
Lease: Lenovo	Lease: Lenovo				
	\$138,000				
Misc	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
TOTAL	\$888,000	\$750,000	\$750,000	\$625,000	\$750,000

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DRILLING DOWN: 5 YEAR CAPITAL PLAN

Centennial School District Capital Reserve Fund

Ending Balance 6/30/16	6,399,704				
Budgeted general fund contribution	790,000				
TRF delayed PlanCon subsidy	892,000				
YTD Revenues as of 3/11/17	5,336				
Projected additional interest to 6/30	5,000				
YTD expenditures as of 3/11/17	(2,343,818)				
YTD Encumbrances as of 3/11/17	(1,845,230)				
Swan Way Brick/Window/Other	(1,250,000)				
Transportation pumps	(600,000)				
Other/Emergency	(50,000)				
Ending Balance - Projected - 6/30/17	2,144,013				
Various Needs	2017/18	2018/19	2019/20	2020/21	2021/22
Starting balance	2,144,013	1,829,013	1,187,013	1,177,013	831,013
Interest	10,000	8,000	5,000	4,000	1,000
General Fund contribution			250,000	250,000	250,000
Camera/security		(25,000)	(25,000)	(25,000)	(25,000)
Johnsville demolition		(440,000)			
Paving/Interlocks	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Signage/other Finishes		(25,000)	(25,000)	(25,000)	(25,000)
Stadium scoreboard/sound system	(75,000)				
Stadium turf/track				(1,000,000)	
Transportation heating system			(75,000)		
Transportation roof			(25,000)		
WTHS athletic storage			(75,000)		
Contingency	(100,000)	(100,000)	(100,000)	(100,000)	(350,000)

Capital Projects Fund

1/11/2017

Ending Balance 6/30/16	
Series A 2017 Bonds	12,000,000
Series A 2018 Bonds	33,000,000
Warm, Safe, Dry middle schools	(25,000,000)
Ending Balance 6/30/16	20,000,000
Est. Series A 2017 Debt Service	872,616
Est. Series A 2018 Debt Service	945,324
Total impact to layer over two years	1,817,940

DRILLING DOWN: BUS REPLACEMENT

Replacement Year	Replacement Cost	Vehicle #	Capacity	Subtotal
2017	87,000	L-34	20 WVC	
2017	84,000	35	48	
2017	88,000	44	65	
2017	88,000	46	65	
2017	88,000	47	65	
2017	89,500	48	65	534,500
2018	89,500	49	65	
2018	89,500	50	65	
2018	89,500	26	24	
2018	89,500	53	65	
2018	90,000	54	65	
2018	90,000	55	65	515,000
2018	90,000	56	65	
2018	90,000	57	65	
2018	90,000	58	65	
2018	90,000	59	65	
2018	91,500	60	65	
2018	91,500	61	65	543,000
2020	91,500	62	65	
2020	90,000	36	48	
2020	88,000	7	14 WVC	
2020	71,000	3	24	
2020	71,000	28	24	
2020	71,000	29	24	563,500
2021	88,500	37	48	
2021	89,000	63	65	
2021	89,000	64	65	
2021	93,000	65	65	
2021	93,000	66	65	561,000
2022	84,500	67	65	
2022	84,500	68	65	
2022	84,500	69	65	
2022	84,500	70	65	
2022	72,500	5	24	
2022	72,500	6	24	623,000

Replacement Year	Replacement Cost	Vehicle #	Capacity	Subtotal
2023	81,500	38	48	
2023	74,000	7	24	
2023	74,000	8	24	
2023	86,000	71	65	
2023	89,000	72	65	
2023	98,000	73	65	527,500
2024	88,000	74	65	
2024	75,500	9	24	
2024	75,500	10	24	
2024	87,500	75	65	
2024	87,500	76	65	339,000
2024	87,500	77	65	
2024	100,300	78	77	
2025	100,300	79	77	
2025	100,300	80	77	
2025	100,300	81	77	
2025	100,300	82	77	
2025	101,800	83	77	603,300
2026	101,800	84	77	
2026	101,800	85	77	
2026	101,800	86	77	
2026	101,800	87	77	
2026	80,000	11	24	
2026	80,000	12	24	587,200
2027	103,300	88	77	
2027	103,300	89	77	
2027	103,300	90	77	
2027	104,800	L-31	20 WVC	519,500
2027	104,800	14	24	
2028	104,800	15	24	
2028	104,800	91	77	
2028	104,800	92	77	
2028	104,800	93	77	
2028	104,800	94	77	534,000
2029	108,300	95	77	
2029	108,300	96	77	
2029	108,300	97	77	
2029	108,300	98	77	
2029	108,300	99	77	531,500
2029	7,043,000			

AVOIDING FOOL'S GOLD: JUST SAY NO TO ERIP

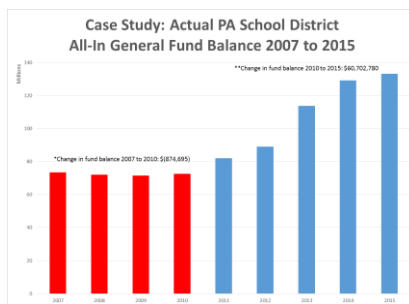
- Minnesota examined statewide early retirement incentives over a 15 year period:
 - Roughly 50% of employees would have retired during the same year had the incentive not been offered. Participants were induced to retire an average of 0.5 years to 1.7 years earlier than they would have retired without an incentive.
- Virginia studied their statewide incentive program that included 3,535 Commonwealth and 2,607 political subdivision early retirees:
 - Actuarial loss: \$238.2 for State employees and \$119 million for teachers.

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PROJECTIONS CASE STUDY



- All-in General Fund balance declined a modest 1.2% from 2007 to 2010.
- All-in General Fund balance grew 83.7% from 2010 to 2015.
- Real estate taxes increased in 2013 and 2014.

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PROJECTIONS MATTER

- “The superintendent and the school board are not provided the quality of financial information that is necessary to make informed decisions....The district has consistently underestimated its year-end General Fund balance.” (Council of Great City Schools 2016).
- “Repeatedly budgeting for a loss led the District to report that it was on a path to insolvency...by consistently under budgeting the financial resources, the District may have not been sufficiently ensuring that necessary resources to meet District goals were being provided.” (PA Auditor General 2015).

BUDGET IN A PAGE: CONTROL YOUR MESSAGE



Council of School Districts 2017/18 Budget Development - values in a page		3/23/2017
2017 Budget		\$1,142,742
Required revenues (budgeted or partially adjusted revenues)	1,418,495	
Revenues of PPSD	492,115	
Other revenues	1,000,000	
Commuter obligations		
2017/18 wage rates of CEA contract retirement	1,107,115	
Required retirement contracts, other benefits	40,000	
Funding differences/year purchases of instructional/indirect support services		
Differences in the number of employees	34,275	
MSP increase cost of at least	10,000	
Strategic Investments		
Future needs (unplanned or future Tech 2016)	411,500	
For this a base of an indicator of existing quality	30,000	
Additional services/development costs for existing quality	20,000	
Residuals		
Required revenues (budgeted or partially adjusted revenues)	1,027,715	
Required retirement contracts, other benefits	127,000	
Commuter obligations		
2017/18 wage rates of CEA contract retirement	1,000,000	
Required retirement contracts, other benefits	200,000	
2017/18 Budget Development - values in a page		
2017/18 Budget		\$1,142,742
Revenues	1,418,495	3.4%
Required Retirement		
2017/18 wage rates of CEA contract retirement	1,107,115	
2017/18 Retirement of other benefits	40,000	
Commuter	1,147,115	
Additional	100,000	
2017/18 wage rates of CEA contract retirement	1,000,000	
Required retirement contracts, other benefits	200,000	
2017/18 Budget Development - values in a page		
2017/18 Budget		\$1,142,742
Revenues	1,418,495	
2017/18 Retirement of other benefits	40,000	
Commuter	1,147,115	
Additional	100,000	
2017/18 wage rates of CEA contract retirement	1,000,000	
Required retirement contracts, other benefits	200,000	
2017/18 Budget Development - values in a page		
2017/18 Budget		\$1,142,742
Revenues	1,418,495	
2017/18 Retirement of other benefits	40,000	
Commuter	1,147,115	
Additional	100,000	
2017/18 wage rates of CEA contract retirement	1,000,000	
Required retirement contracts, other benefits	200,000	

DETAILED BUDGET: ASBO'S MERITORIOUS BUDGET AWARD & PATHWAY TO THE MBA

- The Meritorious Budget Award (MBA) recognizes excellence in school budget presentation:
 - Skills in developing and analyzing an effective budget.
 - Communication between departments to develop short- and long-term strategies.
 - Clear budget guidelines.
 - Building confidence in your community with a reader-friendly budget.
- The Pathway to the MBA is an introductory program for first- and second-time applicants.

SAMPLE BUDGET BOOK

Annual Budget Report For Fiscal Year 2016-17



Centennial School District
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