



# QUAKERTOWN COMMUNITY SD

Finance Committee Meeting  
2020/2021 Preliminary Budget

Presented January 23, 2020

Zach Schoch, COO

Lynn Routson, Finance Director

# AGENDA

- Budget Terminology
- Budget Timeline
- 2019/20 Estimated Revenues/Expenditures/Fund Balance
- 2020/21 Primary Cost Drivers
- Staffing / FTE Analysis
- Supporting Data
- Preliminary Budgets
  - Act I (3.0%)
  - Partial Act I (1.5%)
  - No Act I (0.0%)
- Impact on Average Taxpayer
- 5 Year Projection
- Attachments (will be posted on website)
- Future Variables
- Questions

# POTENTIAL CHANGES AND UNKNOWNNS

- The preliminary budget is developed without having all of the pertinent information. The preliminary budget will continue to be updated as additional information is available.

## Additional Information Needed and Unknowns

- Second and third look for healthcare premium costs
- Additional resignations and retirements (reductions through attrition)
- Staff leave of absences
- 2020/2021 Tech School budget
- PDE Subsidies - Basic Education Funding (BEF) and Special Education Funding (SEF)
- 2020/2021 Bucks County IU Special Education Budget
- 2020/2021 Tax duplicate from Bucks County (total tax assessment for 2020/21)
- Refine department budgets (special education, facilities, human resources etc.)
- Refine revenue projections as new information is available

# BUDGET TERMINOLOGY

## ACT 1 INDEX

ACT1 INDEX - the maximum millage increase for each tax the school district levies (without PDE exception or voter approval).

Adjusted ACT 1 INDEX - If your District has a MV/PI ratio higher than .40 your Act 1 Index is higher. QCSD's MV/PI ratio is .4165

Millage - Amount per \$1,000 of property value that is used to calculate local property taxes. Assigned **millage** rates are multiplied by the total taxable value of the property in order to arrive at the property taxes.

In Bucks County only Quakertown, Bristol Borough, and Bristol Township qualify for an adjusted index.

PA Base Act I Index	2.6%
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QCSD's Act I Index	3.0%
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A 3.0% increase in Mills generates approximately **\$2,073,968** in Real Estate Tax Revenue

- MV/PI = A measure of a communities wealth (market value/personal income aide ratio).
- QCSD = .4165, Council Rock = .150, Bristol Borough = .634

# 2020/21 PRELIMINARY BUDGET

## WHAT IS IT?

- The Board of School Directors opted out of applying for exceptions to the Act I index for 2019/20. By doing so, the District capped the maximum millage increase to a 3.0% increase in the millage rate.
- Opting out of using exceptions changes the budget requirements with PDE (a formal preliminary budget is not required to be approved and submitted to the State).
- So.... The Board will not be voting on a preliminary budget this year. The preliminary budget is simply a snapshot of where we are in the budget development process.

# BUDGET CALENDAR

- January 23, 2020 – Preliminary Budget Presentation – Finance Committee
- February 26, 2020 - Update on Preliminary Budget - Finance Committee
- February 26, 2020 – Preliminary Budget Presentation – Regular Board Meeting
- March 26, 2020 – Update on Preliminary Budget – Finance Committee
- April 23, 2020 – Presentation of and Board vote adopting the proposed final budget
- May 28, 2020 – Update on Proposed Final Budget – Finance Committee
- June 11, 2020 – Board vote to adopt final 2020/21 Budget
- June 30, 2020 – Deadline for tax collectors to send tax bills

# PRIMARY COST DRIVERS – BUDGET TO BUDGET INCREASES

Salaries - \$826,493

- Includes contractual increases
- Includes 2 additional FTEs to address emerging or mandated needs
- Includes projections for QESPA bargaining

Benefits - \$1,051,007 Biggest cost drivers are:

- Healthcare \$629,678
- Social Security \$61,987
- PSERS \$375,662(50% offset by state subsidy revenue)
  - PSERS is mostly due to the increase in overall salaries, not a large spike in PSERS rate.

Other Professional Services - \$297,744

- Money transferred from accounts for students who are outplaced to support them in district with supports and services

Transportation - \$204,199

- Primarily due to increased rates for communication systems (GPS) and driver rates

Neidig Project New Debt Service - \$270,000

Tech School (estimate)– \$200,000

# 2020/21 NEW POSITIONS

(COSTS INCLUDE SALARY AND BENEFITS)

New position requests included (High School Assistant Principal, School Psychologist, Social Worker, Middle School Special Education Teacher, High School Librarian, TOSA for Pathways/Internships, Music Teacher).

The Administration's recommendation, given expected declining enrollment and several issues that will be resolved/recommended for 2021-22, is to defer consideration of any new positions until next year. Two new FTEs are recommended for inclusion to address any mandated or emerging needs.

- Two Additional Professional Staff FTEs – \$220,000



# DISTRICT FTE STAFFING HISTORY

	Staffing Projection Through 2024/2025														
	2020/21			2021/22			2022/23			2023/24			2024/25		
	Full Time	Part Time	FTE	Full Time	Part Time	FTE	Full Time	Part Time	FTE	Full Time	Part Time	FTE	Full Time	Part Time	FTE
<b>District Employees</b>															
Administrators	26.00		26.00	26.00		26.00	26.00		26.00	26.00		26.00	26.00		26.00
Census															
Aides	-	134.00	63.65	-	134.00	63.65	-	134.00	63.65	-	134.00	63.65	-	134.00	63.65
Food Service Workers		32.00	12.91		32.00	12.91		32.00	12.91		32.00	12.91		32.00	12.91
Nursing Assistants		8.00	7.40		8.00	7.40		8.00	7.40		8.00	7.40		8.00	7.40
Maintenance/Custodians	21.00	1.00	21.63	21.00	1.00	21.63	21.00	1.00	21.63	21.00	1.00	21.63	21.00	1.00	21.63
Secretaries	22.00	13.00	29.77	22.00	13.00	29.77	22.00	13.00	29.77	22.00	13.00	29.77	22.00	13.00	29.77
Other Support Staff	18.00		17.58	18.00		17.58	18.00		17.58	18.00		17.58	18.00		17.58
Counselors	17.00		17.00	17.00		17.00	17.00		17.00	17.00		17.00	17.00		17.00
Librarians	4.00		4.00	4.00		4.00	4.00		4.00	4.00		4.00	4.00		4.00
Psychologists	3.00		3.00	3.00		3.00	3.00		3.00	3.00		3.00	3.00		3.00
Instructional Support Teachers	8.50		8.50	8.50		8.50	8.50		8.50	8.50		8.50	8.50		8.50
Reading Specialists	7.50		7.50	7.50		7.50	7.50		7.50	7.50		7.50	7.50		7.50
Safe School Officer															
School Nurses	4.00		4.00	4.00		4.00	4.00		4.00	4.00		4.00	4.00		4.00
Social Worker	3.00		3.00	3.00		3.00	3.00		3.00	3.00		3.00	3.00		3.00
Speech Therapist	3.00		3.00	3.00		3.00	3.00		3.00	3.00		3.00	3.00		3.00
Teacher Temporary Assignments	5.00		5.00	5.00		5.00	5.00		5.00	5.00		5.00	5.00		5.00
Teachers	296.00	4.00	298.45	293.00	4.00	295.45	294.00	4.00	296.45	293.00	4.00	295.45	293.00	4.00	295.45
3 Year Staffing (FTEs Held)															
<b>Total</b>	<b>438.00</b>	<b>192.00</b>	<b>532.39</b>	<b>435.00</b>	<b>192.00</b>	<b>529.39</b>	<b>436.00</b>	<b>192.00</b>	<b>530.39</b>	<b>435.00</b>	<b>192.00</b>	<b>529.39</b>	<b>435.00</b>	<b>192.00</b>	<b>529.39</b>
<b>Student Enrollment</b>	<b>4,994.00</b>			<b>4,841.00</b>			<b>4,724.00</b>			<b>4,546.00</b>			<b>4,411.00</b>		
<b>Student to Teacher Ratio</b>	<b>14.13</b>			<b>13.81</b>			<b>13.44</b>			<b>12.97</b>			<b>12.59</b>		
<b>Student to Aide Ratio</b>	<b>37.27</b>			<b>36.13</b>			<b>35.25</b>			<b>33.93</b>			<b>32.92</b>		
	FT	PT	FTE	FT	PT	FTE	FT	PT	FTE	FT	PT	FTE	FT	PT	FTE
<b>Year to Year Change</b>	2.00	-	2.00	(3.00)	-	(3.00)	1.00	-	1.00	(1.00)	-	(1.00)	-	-	-
<b>Cumulative Change</b>	(44.00)	(9.00)	(47.16)	(47.00)	(9.00)	(50.16)	(46.00)	(9.00)	(49.16)	(47.00)	(9.00)	(50.16)	(47.00)	(9.00)	(50.16)
Notes:															
Strings Position in 2022/23															
Additional Special Education Position in 2021/22															
2 Placeholders in 20/21															

# CONTRACTUAL PAY INCREASES

## 2020/21

- Support Staff Union – Currently in negotiations for the 2020/21 school year, (custodial, aide, secretary, maintenance).
- Supervisor/Technology/Confidential Secretary Group – Current in meet and discuss for the 2020/21 school year.
- Teachers Union – Teachers will move a step on the salary schedule and receive an increase of 0.75% on scale (average increase = 2.9%).
- Administrative (Act 93) – 1.5% to base salary and 1.5% to performance incentive

# HEALTHCARE INCREASES

- The District is a member district of the Bucks and Montgomery County Healthcare Consortium. We receive three cost estimates (“looks”) between now and April from the consortium consultant, Lockton.
- We are self funded with the exception of stop loss. Self funded means we pay claims not premiums.
- First look (we receive 3) benefit increase are:
  - Medical – 8.3%
  - Prescription – 7.4%
  - Total \$ increase to budget = \$629,678.

# PROJECTED ENROLLMENT AND BUDGET IMPACT

- Although enrollment is projected to continue declining, the administration does not recommend reducing staff.
- Recommendation is to keep status quo on staffing until the redistricting committee reports back to the Board.

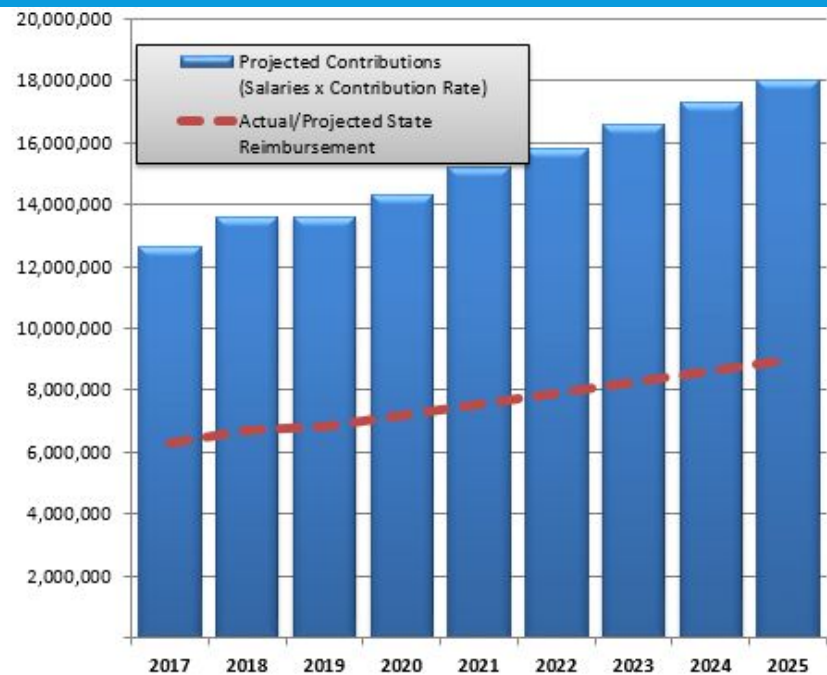
Grades 1 - 12 Enrollments Based on Grade Progression Ratios (Most Recent Year)																
Kindergarten Enrollments Based on Actual Live Birth Data for Past 5 Years																
(2018 Live Birth Data is Preliminary)																
Grades	Progression Ratios	Actual										Projected				
		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
K		373	363	374	349	305	269	366	287	289	283	288	284	260	251	251
1	1.08	424	409	405	420	396	358	318	381	340	313	307	312	307	282	271
2	1.02	423	405	407	410	413	399	360	317	375	347	319	313	318	313	288
3	0.98	419	409	415	400	411	428	406	361	327	367	340	312	306	311	306
4	0.97	387	422	414	406	382	410	425	419	359	317	356	330	302	297	301
5	1.00	393	382	435	405	408	377	411	423	410	359	317	356	330	302	297
Sub-total K-5		2419	2390	2450	2390	2315	2241	2286	2188	2100	1986	1927	1907	1823	1756	1714
6	1.02	459	401	397	422	413	413	399	430	437	419	367	324	364	337	309
7	1.01	403	452	399	390	400	402	413	417	430	443	425	372	328	369	342
8	0.97	418	389	448	398	397	412	419	421	417	416	429	411	360	317	357
Sub-total 6-8		1280	1242	1244	1210	1210	1227	1231	1268	1284	1278	1221	1107	1052	1023	1008
9	1.03	406	407	394	438	413	410	432	426	425	431	430	443	425	372	328
10	0.97	452	380	398	393	428	413	401	434	427	413	419	418	430	413	361
11	0.98	393	432	383	395	388	416	408	399	410	417	403	409	408	420	403
12	1.04	383	359	415	364	386	389	416	408	402	426	433	419	425	424	436
Sub-total 9-12		1634	1578	1590	1590	1615	1628	1657	1667	1664	1687	1685	1689	1688	1629	1528
Special Ed.	1.00	117	142	157	139	175	194	176	156	161	138	161	138	161	138	161
Total K-12		5450	5352	5441	5329	5315	5290	5350	5279	5209	5089	4994	4841	4724	4546	4411
	Increase	34	(98)	89	(112)	(14)	(25)	60	(71)	(70)	(120)	(95)	(153)	(116)	(179)	(135)

Updated 11/7/19



# PSERS TREND

- PSERS rates continue to increase but at a slower rate. The increase in the 2020/21 budget is due to increased salaries combined with an increased PSERS rate. The 2020/21 employer rate is 34.51% of salaries



		(Actual) 2017	(Actual) 2018	(Estimated) 2019	(Budget) 2020	(Projected) 2021	(Projected) 2022	(Projected) 2023	(Projected) 2024	(Projected) 2025
Total Revenue		104,272,839	105,930,061	111,539,010	114,058,236	116,813,375	120,178,503	123,745,789	127,327,849	130,941,290
Total Expenditures		104,153,489	104,580,213	104,799,100	112,505,716	119,430,615	121,907,689	125,297,479	128,681,684	132,152,619
Operating Balance		119,350	1,349,848	6,739,910	1,552,520	(2,617,240)	(1,729,186)	(1,551,690)	(1,353,835)	(1,211,328)
EXPENDITURES										
100	Personnel Services - Salaries	41,974,251	41,213,662	40,835,151	41,790,986	44,005,205	45,265,433	46,562,304	47,896,894	49,270,311
	Less: Non-PSERS Eligible Salaries	155,177	625,319	(88,127)	(0)	(0)	(0)	(0)	(0)	(0)
	Net PSERS Eligible Salaries	42,129,429	41,838,981	40,747,024	41,790,986	44,005,205	45,265,433	46,562,304	47,896,894	49,270,311
	<b>PSERS Contribution Rates *</b>	<b>30.03%</b>	<b>32.57%</b>	<b>33.43%</b>	<b>34.29%</b>	<b>34.51%</b>	<b>34.95%</b>	<b>35.62%</b>	<b>36.12%</b>	<b>36.60%</b>
	<b>Projected Contributions</b> (Salaries x Contribution Rate)	<b>12,651,467</b>	<b>13,626,956</b>	<b>13,621,730</b>	<b>14,330,129</b>	<b>15,186,196</b>	<b>15,820,269</b>	<b>16,585,493</b>	<b>17,300,358</b>	<b>18,032,934</b>
230	Actual Contributions (from AFR)	12,651,467	13,626,956	13,621,730						
* Source: PSERS as of December 7, 2018. Contribution rates in blue can be modified to reflect different budgeted contribution rates										
REVENUES										
	Projected Contributions (from above)	12,651,467	13,626,956	13,621,730	14,330,129	15,186,196	15,820,269	16,585,493	17,300,358	18,032,934
	<b>Projected State Reimbursement</b>	<b>50.00%</b>	<b>6,325,734</b>	<b>6,813,478</b>	<b>6,810,865</b>	<b>7,165,065</b>	<b>7,593,098</b>	<b>7,910,134</b>	<b>8,292,746</b>	<b>8,650,179</b>
7820	Actual Reimbursement (from AFR)	6,307,300	6,719,788	6,803,444						
	Actual State Reimbursement %	49.70%	49.85%	49.31%	49.95%					
	(Average)									

# EXPENDITURES BY OBJECT

QUAKERTOWN COMMUNITY SCHOOL DISTRICT														
EXPENDITURES BY DETAILED OBJECT														
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2019-20	2019-20	2020-21				
Obj	Description	Actual	Actual	Actual	Actual	Actual	Original Budget	Amended Budget*	Projected	Preliminary	2020/21 Budget to 2019/20 Projection		2020/21 Budget to 2019/20 Budget	
Total	Salaries	\$ 40,826,223	\$ 41,311,141	\$ 41,974,251	\$ 41,213,662	\$ 40,835,150	\$ 43,178,712	\$ 43,181,212	\$ 41,790,986	\$ 44,005,205	5.30%	\$ 2,214,219	1.91%	\$ 826,493
Total	Benefits	\$ 19,225,722	\$ 21,199,140	\$ 23,966,486	\$ 25,378,406	\$ 25,787,990	\$ 27,683,260	\$ 27,683,260	\$ 26,978,981	\$ 28,734,267	6.51%	\$ 1,755,286	3.80%	\$ 1,051,007
Total	Professional Services	\$ 6,489,718	\$ 6,797,619	\$ 7,900,367	\$ 8,259,378	\$ 7,433,575	\$ 8,949,710	\$ 8,973,736	\$ 8,781,308	\$ 9,333,284	6.29%	\$ 551,976	4.29%	\$ 383,574
Total	Purchased Property Servs	\$ 1,199,998	\$ 1,558,230	\$ 2,308,001	\$ 1,637,595	\$ 1,898,452	\$ 3,189,815	\$ 4,834,530	\$ 3,462,992	\$ 5,177,889	49.52%	\$ 1,714,897	62.33%	\$ 1,988,074
Total	Other Purchases Services	\$ 11,490,962	\$ 11,741,038	\$ 12,251,805	\$ 12,005,126	\$ 12,250,909	\$ 13,433,604	\$ 13,433,604	\$ 13,334,380	\$ 13,484,119	1.12%	\$ 149,739	0.38%	\$ 50,515
Total	Supplies	\$ 3,427,356	\$ 3,421,454	\$ 3,438,295	\$ 3,960,148	\$ 3,788,667	\$ 4,350,329	\$ 4,423,223	\$ 4,418,075	\$ 4,511,401	2.11%	\$ 93,326	3.70%	\$ 161,072
Total	Equipment	\$ 1,088,121	\$ 3,126,163	\$ 1,460,210	\$ 823,415	\$ 975,177	\$ 1,446,667	\$ 1,470,594	\$ 1,451,393	\$ 1,572,575	8.35%	\$ 121,182	8.70%	\$ 125,908
Total	Other Objects	\$ 3,008,937	\$ 3,438,294	\$ 4,102,018	\$ 4,186,555	\$ 4,448,997	\$ 4,581,240	\$ 4,589,740	\$ 4,540,926	\$ 4,559,875	0.42%	\$ 18,949	-0.47%	\$ (21,365)
Total	Other Financing Uses	\$ 5,634,049	\$ 6,457,676	\$ 6,752,055	\$ 7,115,928	\$ 7,380,183	\$ 7,767,600	\$ 7,767,600	\$ 7,746,675	\$ 8,052,000	3.94%	\$ 305,325	3.66%	\$ 284,400
														\$ -
Total	All Objects	\$ 92,391,087	\$ 99,050,755	\$ 104,153,489	\$ 104,580,213	\$ 104,799,100	\$ 114,580,937	\$ 116,357,499	\$ 112,505,716	\$ 119,430,615	6.16%	\$ 6,924,899	4.23%	\$ 4,849,678
	*The 2019/20 amended budget includes \$1,696,931 in purchase orders encumbered as of 6/30/19, but expended during 19/20 (services rendered or goods received after 6/30/19). The amended budget also includes adjustments for grants to be received in 19/20, but not budgeted in the original budget in the amount of \$79,631. There is a corresponding increase to budgeted revenues.													
	The 2020/21 budget for construction services (object 450) includes the expenditure of the proceeds from the sale of Milford Middle School and Tohickon Valley Elementary School.													

■ Notes - See next slide

# 2020/2021 Expenditure Increase

- 2020/2021 Expenditures increased \$4,849,678 over the 2019/20 budget.
- The increase includes \$1,977,041 in one time expenditures from the proceeds from selling schools to be used to pay Neidig Elementary School bills.
- The operational increase over 2019/2020 budget is \$2,872,637 which equates to a 2.5% increase.



# 2020/21 FINANCING OF THE BUDGET AT 0.0% TAX INCREASE

- Estimated 2020/21 revenues without a tax increase is \$114,739,407.
- Total projected expenditures for 2020/21 is \$119,430,615.
- Total Shortfall (deficit) at this point is \$4,691,208 which is funded by use of fund balance. This includes however \$2.37 million in one time expenditures (use of school sale proceeds and RR Drive).
- Operational deficit is \$2,314,167

<b>Quakertown Community School District</b>	
<b>2020-21 Preliminary Budget</b>	
<b>Analysis of Fund Balance Surplus/Shortfall</b>	
<b>Assuming 0.0% increase in Millage Rate in 2020-21</b>	
	<b>Preliminary 2020-21</b>
Revenues	114,739,407
Expenditures-Operations	117,053,574
<b>Revenues Less Expenses</b>	<b>(2,314,167)</b>
<b>One-time items (revenues and expenditures)</b>	
Capital Purchases (RR Drive and use proceeds from MMS/TV)	(2,377,041)
	(2,377,041)
<b>Net Operating Balance</b>	<b>(4,691,208)</b>
<b>Fund Balance Summary:</b>	
Unassigned Fund Balance - beginning balance	11,681,622
Committed Fund Balance - beginning balance	12,513,503
Net Operating Balance including one-time items	(4,691,208)
Prior Period Adjustment	-
<b>Total Ending Fund Balance and Budgetary Reserve</b>	<b>19,503,917</b>
Unassigned Fund Balance	9,367,455
Committed Fund Balance - PSERS	-
Committed Fund Balance - Capital	10,136,462
<b>Total Ending Fund Balance and Budgetary Reserve</b>	<b>19,503,917</b>
<i>Unassigned Fund Balance as a % of Expenditures</i>	<i>7.84%</i>



# 2020/21 FINANCING OF THE BUDGET AT 1.5% TAX INCREASE

- Estimated 2020/21 revenues without a tax increase is \$114,739,407.
- Total revenues at a 1.5% tax increase is \$115,776,391.
- Total projected expenditures for 2020/21 is \$119,430,615.
- Total Shortfall (deficit) at this point is \$3,654,224 which is funded by use of fund balance. This includes however \$2.37 million in one time expenditures (use of school sale proceeds and RR Drive).
- Operational deficit is \$1,277,183

<b>Quakertown Community School District</b>	
<b>2020-21 Preliminary Budget</b>	
<b>Analysis of Fund Balance Surplus/Shortfall</b>	
<b>Assuming 1.5% increase in Millage Rate in 2020-21</b>	
	<b>Preliminary</b>
	<b>2020-21</b>
Revenues	115,776,391
Expenditures-Operations	117,053,574
<b>Revenues Less Expenses</b>	<b>(1,277,183)</b>
<b>One-time expenditures)</b>	
Capital Purchases (RR Drive and use proceeds from MMS/TV)	(2,377,041)
	(2,377,041)
<b>Net Operating Balance</b>	<b>(3,654,224)</b>
<b>Fund Balance Summary:</b>	
Unassigned Fund Balance - beginning balance	11,681,622
Committed Fund Balance - beginning balance	12,513,503
Net Operating Balance including one-time items	(3,654,224)
Prior Period Adjustment	-
<b>Total Ending Fund Balance and Budgetary Reserve</b>	<b>20,540,901</b>
Unassigned Fund Balance	10,404,439
Committed Fund Balance - PSERS	-
Committed Fund Balance - Capital	10,136,462
<b>Total Ending Fund Balance and Budgetary Reserve</b>	<b>20,540,901</b>
<i>Unassigned Fund Balance as a % of Expenditures</i>	<i>8.71%</i>

# 2020/21 FINANCING OF THE BUDGET AT 3.0% TAX INCREASE

- Estimated 2020/21 revenues without a tax increase is \$114,739,407.
- Total revenues at a 3.0% tax increase is \$116,813,375.
- Total projected expenditures for 2020/21 is \$119,430,615.
- Total Shortfall (deficit) at this point is \$2,617,240 which is funded by use of fund balance. This includes however \$2.37 million in one time expenditures (use of school sale proceeds and RR Drive).
- Operational deficit is \$240,199

<b>Quakertown Community School District</b>	
<b>2020-21 Preliminary Budget</b>	
<b>Analysis of Fund Balance Surplus/Shortfall</b>	
<b>Assuming 1.5% increase in Millage Rate in 2020-21</b>	
	<b>Preliminary</b>
	<b>2020-21</b>
Revenues	116,813,375
Expenditures-Operations	117,053,574
<b>Revenues Less Expenses</b>	<b>(240,199)</b>
<b>One-time expenditures)</b>	
Capital Purchases (RR Drive and use proceeds from MMS/TV)	(2,377,041)
	(2,377,041)
<b>Net Operating Balance</b>	<b>(2,617,240)</b>
<b>Fund Balance Summary:</b>	
Unassigned Fund Balance - beginning balance	11,681,622
Committed Fund Balance - beginning balance	12,513,503
Net Operating Balance including one-time items	(2,617,240)
Prior Period Adjustment	-
<b>Total Ending Fund Balance and Budgetary Reserve</b>	<b>21,577,885</b>
Unassigned Fund Balance	11,441,423
Committed Fund Balance - PSERS	-
Committed Fund Balance - Capital	10,136,462
<b>Total Ending Fund Balance and Budgetary Reserve</b>	<b>21,577,885</b>
<i>Unassigned Fund Balance as a % of Expenditures</i>	<i>9.58%</i>

# IMPACT OF TAX INCREASE

- Raising taxes means raising the millage rate. The millage rate is then applied to the assessed value of your home divided by 1000 to arrive at your tax bill. Note, the tax increase is not applied to your prior tax bill, which may have reductions for homestead farmstead.
- The assessed value of a home is determined by the Bucks County Board of Assessment.
- Example:
  - Home has an assessed value of 22,000.
  - The assessed value is multiplied by the millage rate or  $168.83 = \$3,714,260$
  - Divided by 1000 =  $\$3,714.26$  (this is your tax bill)

Impact of a 1.5% tax increase on QCSD Millage:

- Current Millage Rate – 168.83
- New Millage Rate – 171.36
- Average assessed value of a QCSD homestead/farmstead = 23,857
- Tax Increase on Average Homestead/Farmstead =  $\$60.41$
- Note – Due to the Homestead/Farmstead reduction, some tax bills may see a slightly higher % increase.

# IMPACT ON FUND BALANCE (using 1.5% tax increase)

- Projecting an operational surplus in 19/20 of \$1.5 million.
- At a 1.5% tax increase in 2020/21, shortfall (deficit) of \$3,654,224 (use of fund balance).
- 2020/21 shortfall includes \$400k for Ronald Reagan Blvd. and 1,977,041 use of proceeds from selling schools.
- 2020/21 operational shortfall excluding one time uses is 1,227,183 Million.
- Through good fiscal management and attrition, actual expenditures are typically less than budgeted, so a \$1 million shortfall is a good target.

<b>Quakertown Community School District</b>				
<b>2020-21 Preliminary Budget</b>				
<b>Analysis of Fund Balance Surplus/Shortfall</b>				
<b>Assuming 1.5% increase in Millage Rate in 2020-21</b>				
	Actual	Actual	Projected	Preliminary
	2017-18	2018-19	2019-20	2020-21
Revenues	105,930,061	109,452,615	114,058,236	115,776,391
Expenditures-Operations	104,291,322	104,532,530	110,760,543	116,053,574
Revenues Less Expenses	1,638,739	4,920,085	3,297,693	(277,183)
Budgetary Reserve				-
One-time items (revenues and expenditures)				
Prior Years Plancon receipts		109,354	-	-
Sale of Buildings		1,977,041	-	-
Capital Purchases	(288,891)	(266,570)	(1,745,173)	(3,377,041)
	(288,891)	1,819,825	(1,745,173)	(3,377,041)
<b>Net Operating Balance</b>	<b>1,349,848</b>	<b>6,739,910</b>	<b>1,552,520</b>	<b>(3,654,224)</b>
<b>Fund Balance Summary:</b>				
Unassigned Fund Balance - beginning balance	10,897,380	13,214,373	8,383,929	11,681,622
Committed Fund Balance - beginning balance	3,655,467	2,688,322	14,258,676	12,513,503
Net Operating Balance including one-time items	1,349,848	6,739,910	1,552,520	(3,654,224)
Prior Period Adjustment	-	-	-	-
<b>Total Ending Fund Balance and Budgetary Reserve</b>	<b>15,902,695</b>	<b>22,642,605</b>	<b>24,195,125</b>	<b>20,540,901</b>
<i>Unassigned Fund Balance as a % of Expenditures</i>	<i>12.64%</i>	<i>8.00%</i>	<i>10.38%</i>	<i>9.55%</i>

*Note: The District commits the portion of fund balance that is in excess of 8% of expenditures at the completion of the annual audit.*

*Capital purchases includes use of proceeds from sale of schools and Ronald Reagan Blv*



# UPDATED 5 YEAR BUDGET PROJECTION (PFM MODELING) – 0.0% TAX INCREASE

## Quakertown Community School District

Concise Summary Report

Assumption: 0.0% annual increase in real estate tax millage rate  
for fiscal years 2020/21 and 3.0% for 2021/22 through 2024/25.


[Home](#)
[Reports](#)

(Actual)  
2015

(Actual)  
2016

(Actual)  
2017

(Actual)  
2018

(Actual)  
2019

(Projected)  
2020

(Projected)  
2021

(Projected)  
2022

(Projected)  
2023

(Projected)  
2024

(Projected)  
2025

### REVENUES

Real Estate Taxes	56,706,035	58,266,636	60,485,601	62,603,626	65,687,635	68,062,296	67,835,810	70,001,156	72,337,777	74,750,330	77,241,283
Act 511 Taxes	10,036,898	10,605,046	11,130,607	11,635,475	11,602,220	12,019,645	12,454,125	12,815,556	13,187,586	13,570,528	13,964,704
Other Local Revenue	3,974,849	4,085,092	4,107,793	3,770,654	4,233,056	4,846,697	4,292,338	4,372,335	4,459,031	4,539,962	4,630,761
Basic Instructional and Operating Subsidies	9,197,760	9,556,455	9,981,255	10,142,715	10,332,283	10,678,586	11,001,531	11,111,546	11,222,662	11,334,888	11,448,237
Revenue for Specific Educational Programs	2,651,138	2,976,553	3,023,095	3,069,199	3,182,202	3,268,592	3,305,131	3,341,157	3,377,603	3,414,475	3,451,776
Other State Revenue	9,855,871	10,959,012	13,941,065	13,567,554	13,246,777	13,630,307	14,160,472	14,729,062	15,246,408	15,687,949	15,947,870
Federal Revenue	553,199	635,531	603,521	617,189	709,481	680,093	680,000	693,600	707,472	721,621	736,054
Other Financing Sources	501,371	587,113	999,904	523,649	2,545,356	872,020	1,010,000	1,030,000	1,050,400	1,071,208	1,092,432
<b>TOTAL REVENUES</b>	<b>93,477,121</b>	<b>97,671,438</b>	<b>104,272,839</b>	<b>105,930,061</b>	<b>111,539,010</b>	<b>114,058,236</b>	<b>114,739,407</b>	<b>118,094,413</b>	<b>121,588,940</b>	<b>125,090,961</b>	<b>128,513,119</b>

### EXPENDITURES


Salaries and Benefits	60,051,945	62,510,280	65,940,737	66,592,068	66,623,141	68,769,968	72,739,472	75,421,358	78,092,955	80,776,396	83,335,192
Operating Expenses	24,475,626	27,488,306	27,534,102	27,510,005	26,486,543	31,626,126	34,262,393	34,548,391	35,206,329	35,878,684	36,565,784
Debt Service & Transfers	7,863,516	9,052,169	10,678,651	10,478,140	11,689,416	12,109,622	12,428,750	12,046,576	12,100,632	12,112,818	12,103,831
<b>TOTAL EXPENDITURES</b>	<b>92,391,087</b>	<b>99,050,755</b>	<b>104,153,489</b>	<b>104,580,213</b>	<b>104,799,100</b>	<b>112,505,716</b>	<b>119,430,615</b>	<b>122,016,326</b>	<b>125,399,916</b>	<b>128,767,898</b>	<b>132,004,808</b>

<b>NET OPERATING BALANCE</b>	<b>1,086,034</b>	<b>(1,379,316)</b>	<b>119,350</b>	<b>1,349,848</b>	<b>6,739,910</b>	<b>1,552,520</b>	<b>(4,691,208)</b>	<b>(3,921,913)</b>	<b>(3,810,976)</b>	<b>(3,676,937)</b>	<b>(3,491,689)</b>
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<b>FUND BALANCE (BEGINNING OF THE YEAR)</b>	<b>15,488,166</b>	<b>15,812,815</b>	<b>14,433,499</b>	<b>14,552,849</b>	<b>15,902,697</b>	<b>22,642,607</b>	<b>24,195,127</b>	<b>19,503,919</b>	<b>15,582,006</b>	<b>11,771,030</b>	<b>8,094,093</b>
<b>ADJUSTMENTS</b>	<b>(761,385)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE (END OF THE YEAR)</b>	<b>15,812,815</b>	<b>14,433,499</b>	<b>14,552,849</b>	<b>15,902,697</b>	<b>22,642,607</b>	<b>24,195,127</b>	<b>24,195,127</b>	<b>19,503,919</b>	<b>15,582,006</b>	<b>11,771,030</b>	<b>8,094,093</b>



# UPDATED 5 YEAR BUDGET PROJECTION (PFM MODELING) – 1.5% TAX INCREASE

<b>Quakertown Community School District</b> <i>Concise Summary Report</i>						<i>Assumption: 1.5% annual increase in real estate tax millage rate for fiscal years 2020/21 and 3.0% for 2021/22 through 2024/25.</i>						
Home	Reports	(Actual) 2015	(Actual) 2016	(Actual) 2017	(Actual) 2018	(Actual) 2019	(Projected) 2020	(Projected) 2021	(Projected) 2022	(Projected) 2023	(Projected) 2024	(Projected) 2025
<b>REVENUES</b>												
Real Estate Taxes		56,706,035	58,266,636	60,485,601	62,603,626	65,687,635	68,062,296	68,872,794	71,070,361	73,441,811	75,890,328	78,418,416
Act 511 Taxes		10,036,898	10,605,046	11,130,607	11,635,475	11,602,220	12,019,645	12,454,125	12,815,556	13,187,586	13,570,528	13,964,704
Other Local Revenue		3,974,849	4,085,092	4,107,793	3,770,654	4,233,056	4,846,697	4,292,338	4,372,335	4,459,031	4,539,962	4,630,761
Basic Instructional and Operating Subsidies		9,197,760	9,556,455	9,981,255	10,142,715	10,332,283	10,678,586	11,001,531	11,111,546	11,222,662	11,334,888	11,448,237
Revenue for Specific Educational Programs		2,651,138	2,976,553	3,023,095	3,069,199	3,182,202	3,268,592	3,305,131	3,341,157	3,377,603	3,414,475	3,451,776
Other State Revenue		9,855,871	10,959,012	13,941,065	13,567,554	13,246,777	13,630,307	14,160,472	14,729,062	15,246,408	15,687,949	15,947,870
Federal Revenue		553,199	635,531	603,521	617,189	709,481	680,093	680,000	693,600	707,472	721,621	736,054
Other Financing Sources		501,371	587,113	999,904	523,649	2,545,356	872,020	1,010,000	1,030,000	1,050,400	1,071,208	1,092,432
<b>TOTAL REVENUES</b>		<b>93,477,121</b>	<b>97,671,438</b>	<b>104,272,839</b>	<b>105,930,061</b>	<b>111,539,010</b>	<b>114,058,236</b>	<b>115,776,391</b>	<b>119,163,617</b>	<b>122,692,974</b>	<b>126,230,959</b>	<b>129,690,252</b>
<b>EXPENDITURES</b>												
Salaries and Benefits		60,051,945	62,510,280	65,940,737	66,592,068	66,623,141	68,769,968	72,739,472	75,421,358	78,092,955	80,776,396	83,335,192
Operating Expenses		24,475,626	27,488,306	27,534,102	27,510,005	26,486,543	31,626,126	34,262,393	34,548,391	35,206,329	35,878,684	36,565,784
Debt Service & Transfers		7,863,516	9,052,169	10,678,651	10,478,140	11,689,416	12,109,622	12,428,750	12,046,576	12,100,632	12,112,818	12,103,831
<b>TOTAL EXPENDITURES</b>		<b>92,391,087</b>	<b>99,050,755</b>	<b>104,153,489</b>	<b>104,580,213</b>	<b>104,799,100</b>	<b>112,505,716</b>	<b>119,430,615</b>	<b>122,016,326</b>	<b>125,399,916</b>	<b>128,767,898</b>	<b>132,004,808</b>
<b>NET OPERATING BALANCE</b>		<b>1,086,034</b>	<b>(1,379,316)</b>	<b>119,350</b>	<b>1,349,848</b>	<b>6,739,910</b>	<b>1,552,520</b>	<b>(3,654,224)</b>	<b>(2,852,709)</b>	<b>(2,706,942)</b>	<b>(2,536,940)</b>	<b>(2,314,556)</b>
<b>FUND BALANCE (BEGINNING OF THE YEAR)</b>		<b>15,488,166</b>	<b>15,812,815</b>	<b>14,433,499</b>	<b>14,552,849</b>	<b>15,902,697</b>	<b>22,642,607</b>	<b>24,195,127</b>	<b>20,540,903</b>	<b>17,688,195</b>	<b>14,981,252</b>	<b>12,444,313</b>
<b>ADJUSTMENTS</b>		<b>(761,385)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE (END OF THE YEAR)</b>		<b>15,812,815</b>	<b>14,433,499</b>	<b>14,552,849</b>	<b>15,902,697</b>	<b>22,642,607</b>	<b>24,195,127</b>	<b>20,540,903</b>	<b>17,688,195</b>	<b>14,981,252</b>	<b>12,444,313</b>	<b>10,129,757</b>



# UPDATED 5 YEAR BUDGET PROJECTION (PFM MODELING) – 1.5% TAX INCREASE

## Quakertown Community School District

Concise Summary Report

Assumption: 3.0% annual increase in real estate tax millage rate

for fiscal years 2020/21 through 2024/25.



	(Actual) 2015	(Actual) 2016	(Actual) 2017	(Actual) 2018	(Actual) 2019	(Projected) 2020	(Projected) 2021	(Projected) 2022	(Projected) 2023	(Projected) 2024	(Projected) 2025
<b>REVENUES</b>											
Real Estate Taxes	56,706,035	58,266,636	60,485,601	62,603,626	65,687,635	68,062,296	69,909,778	72,139,565	74,545,845	77,030,325	79,595,549
Act 511 Taxes	10,036,898	10,605,046	11,130,607	11,635,475	11,602,220	12,019,645	12,454,125	12,815,556	13,187,586	13,570,528	13,964,704
Other Local Revenue	3,974,849	4,085,092	4,107,793	3,770,654	4,233,056	4,846,697	4,292,338	4,372,335	4,459,031	4,539,962	4,630,761
Basic Instructional and Operating Subsidies	9,197,760	9,556,455	9,981,255	10,142,715	10,332,283	10,678,586	11,001,531	11,111,546	11,222,662	11,334,888	11,448,237
Revenue for Specific Educational Programs	2,651,138	2,976,553	3,023,095	3,069,199	3,182,202	3,268,592	3,305,131	3,341,157	3,377,603	3,414,475	3,451,776
Other State Revenue	9,855,871	10,959,012	13,941,065	13,567,554	13,246,777	13,630,307	14,160,472	14,674,744	15,195,189	15,644,842	16,021,776
Federal Revenue	553,199	635,531	603,521	617,189	709,481	680,093	680,000	693,600	707,472	721,621	736,054
Other Financing Sources	501,371	587,113	999,904	523,649	2,545,356	872,020	1,010,000	1,030,000	1,050,400	1,071,208	1,092,432
<b>TOTAL REVENUES</b>	<b>93,477,121</b>	<b>97,671,438</b>	<b>104,272,839</b>	<b>105,930,061</b>	<b>111,539,010</b>	<b>114,058,236</b>	<b>116,813,375</b>	<b>120,178,503</b>	<b>123,745,789</b>	<b>127,327,849</b>	<b>130,941,290</b>
<b>EXPENDITURES</b>											
Salaries and Benefits	60,051,945	62,510,280	65,940,737	66,592,068	66,623,141	68,769,968	72,739,472	75,312,721	77,990,518	80,690,182	83,483,003
Operating Expenses	24,475,626	27,488,306	27,534,102	27,510,005	26,486,543	31,626,126	34,262,393	34,548,391	35,206,329	35,878,684	36,565,784
Debt Service & Transfers	7,863,516	9,052,169	10,678,651	10,478,140	11,689,416	12,109,622	12,428,750	12,046,576	12,100,632	12,112,818	12,103,831
<b>TOTAL EXPENDITURES</b>	<b>92,391,087</b>	<b>99,050,755</b>	<b>104,153,489</b>	<b>104,580,213</b>	<b>104,799,100</b>	<b>112,505,716</b>	<b>119,430,615</b>	<b>121,907,689</b>	<b>125,297,479</b>	<b>128,681,684</b>	<b>132,152,619</b>
<b>NET OPERATING BALANCE</b>	<b>1,086,034</b>	<b>(1,379,316)</b>	<b>119,350</b>	<b>1,349,848</b>	<b>6,739,910</b>	<b>1,552,520</b>	<b>(2,617,240)</b>	<b>(1,729,186)</b>	<b>(1,551,690)</b>	<b>(1,353,835)</b>	<b>(1,211,328)</b>
<b>FUND BALANCE (BEGINNING OF THE YEAR)</b>	<b>15,488,166</b>	<b>15,812,815</b>	<b>14,433,499</b>	<b>14,552,849</b>	<b>15,902,697</b>	<b>22,642,607</b>	<b>24,195,127</b>	<b>21,577,887</b>	<b>19,848,702</b>	<b>18,297,012</b>	<b>16,943,177</b>
<b>ADJUSTMENTS</b>	<b>(761,385)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE (END OF THE YEAR)</b>	<b>15,812,815</b>	<b>14,433,499</b>	<b>14,552,849</b>	<b>15,902,697</b>	<b>22,642,607</b>	<b>24,195,127</b>	<b>21,577,887</b>	<b>19,848,702</b>	<b>18,297,012</b>	<b>16,943,177</b>	<b>15,731,849</b>

# FUTURE UNKNOWN VARIABLES

- Redistricting Recommendations and Disposition of Quakertown Elementary School
- 2021/22 Contractual Negotiations with QCEA (Teachers Union)
- 2020/2021 Contractual Negotiations with QESPA (Support Staff Union)
- Transportation System (tier system)
- Capital Needs for Baseball Field
- Qualifying for Adjusted Act I Index
- Future Economic Conditions



# QUESTIONS

