



PENNSBURY SCHOOL DISTRICT

134 YARDLEY AVENUE • P.O. BOX 338 • FALLSINGTON, PENNSYLVANIA 19058-0338



2020-2021 Budget Development Update

April 23, 2020

**Christopher M. Berdnik, PCSBA
Chief Financial Officer**

Pre-COVID-19 Framework

- Our focus is sustainable adjustments to cost centers without impacting the quality of program, instructional and support.
- The long range plan's marriage of operating and capital budgets is essential to this work.
- Legacy challenges must be addressed with the starting point of 2020-21.
- While multiple scenarios are presented here, we want to narrow to one as soon as possible.

COVID-19 Uncertainty

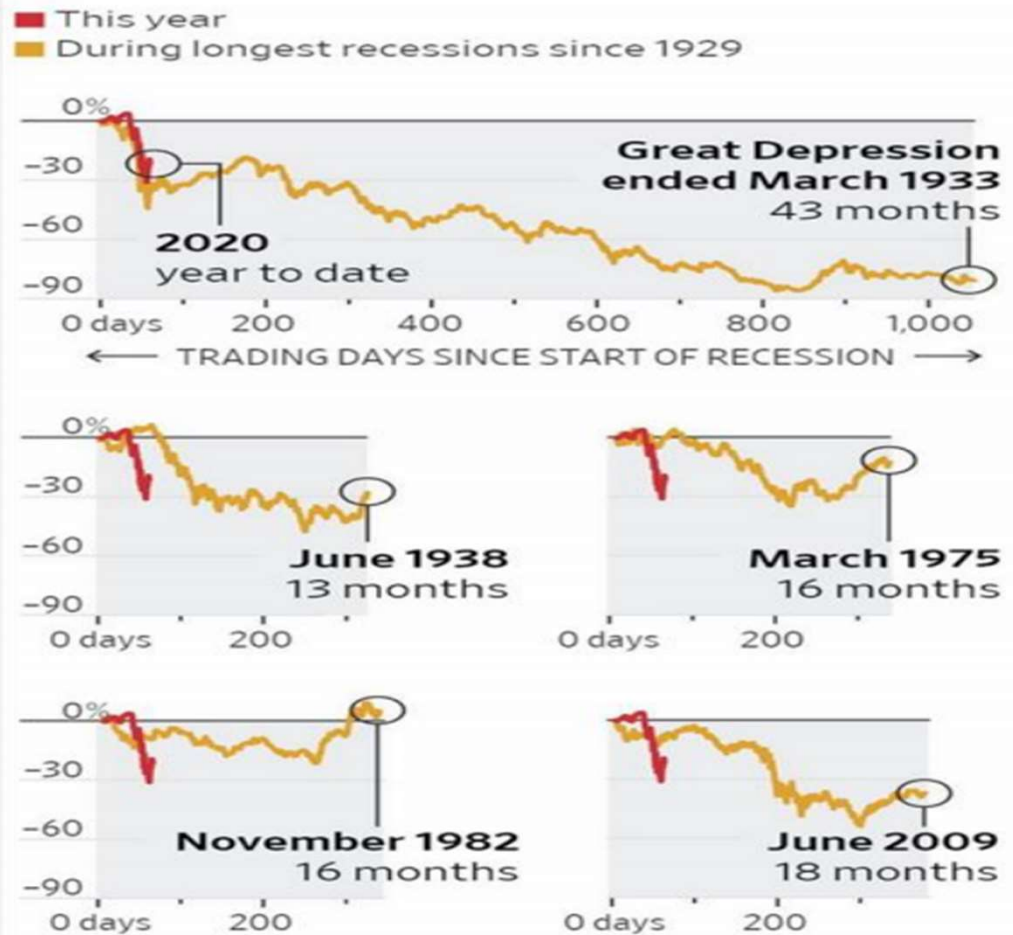
- Gross domestic product is expected to decline by more than 7 percent during the second quarter.
- The unemployment rate is expected to exceed 10 percent during the second quarter.
- Interest rates on 10-year Treasury notes are expected to be below 1 percent during the second quarter as a result of the Federal Reserve's actions and market conditions.

Source: Congressional Budget Office, April 2, 2020. <https://www.cbo.gov/publication/56314>

How does the current market contraction compare to other pullbacks?



S&P 500 performance

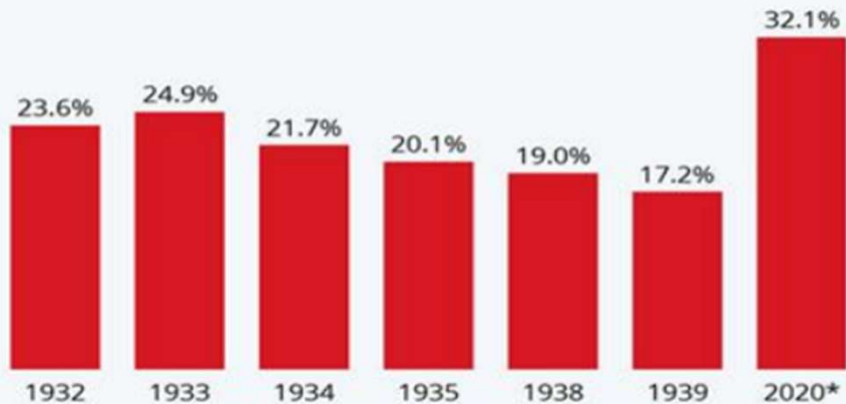


Note: 2020 figures through March 27 close
Sources: Dow Jones Market Data (recessions ended 1933, 1938, 1975); FactSet (recessions ended 1982, 2009); National Bureau of Economic Research (recession durations)
Kara Dapena/THE WALL STREET JOURNAL

Will the 2020 unemployment rate exceed the highest levels of the Great Depression?

Predicted Unemployment Higher Than Great Depression

Highest unemployment rates in U.S. history



* Projected unemployment rate as of March 2020
Sources: CNBC, The Balance

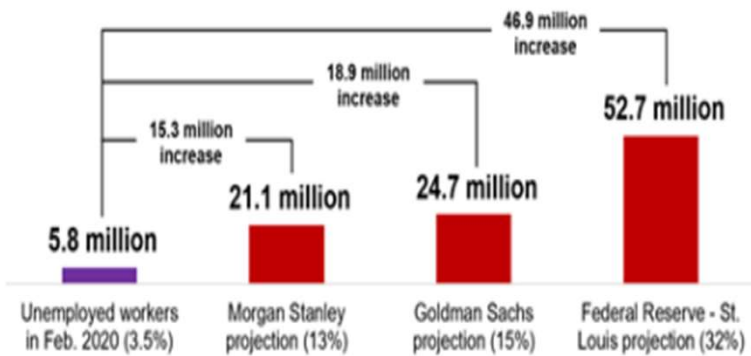


statista



Up to 50 million Americans could end up unemployed if economic predictions come true

Unemployed Americans under selected projections of 2nd-quarter national unemployment rate



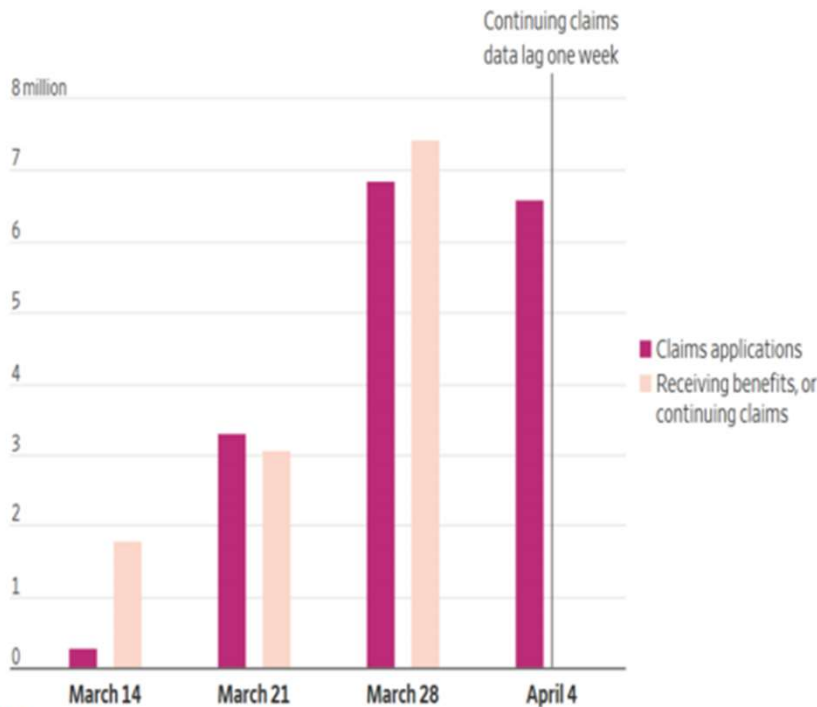
Sources: U.S. Bureau of Labor Statistics, Morgan Stanley, Goldman Sachs, Federal Reserve Bank of St. Louis
Note: For simplicity, the nation's labor force is assumed to remain constant: 165 million (as of Feb. 2020)



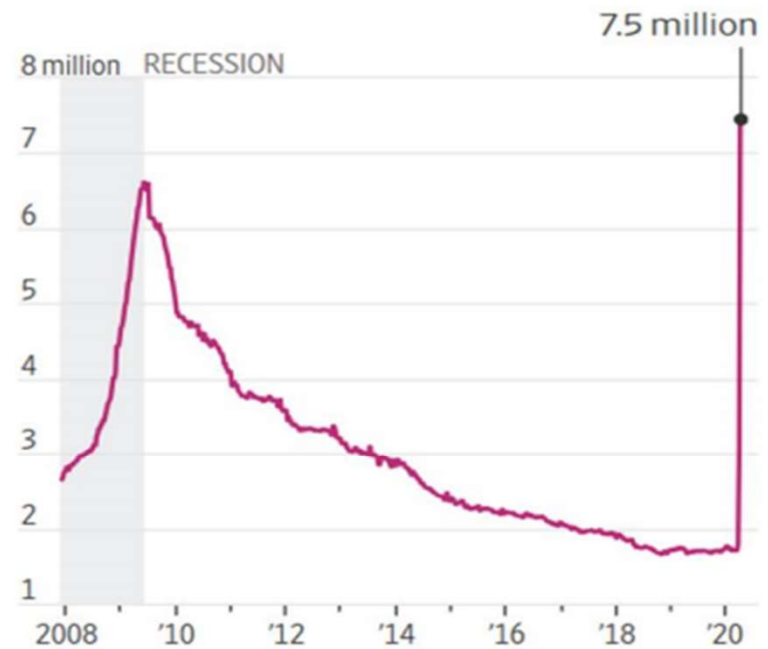
Unemployment Compared to 2008...where are we now? (as of April 10th)

Nearly 17 million Americans have filed new claims for benefits since mid-March as the coronavirus spread

New jobless claims, benefits received



Continued jobless claims

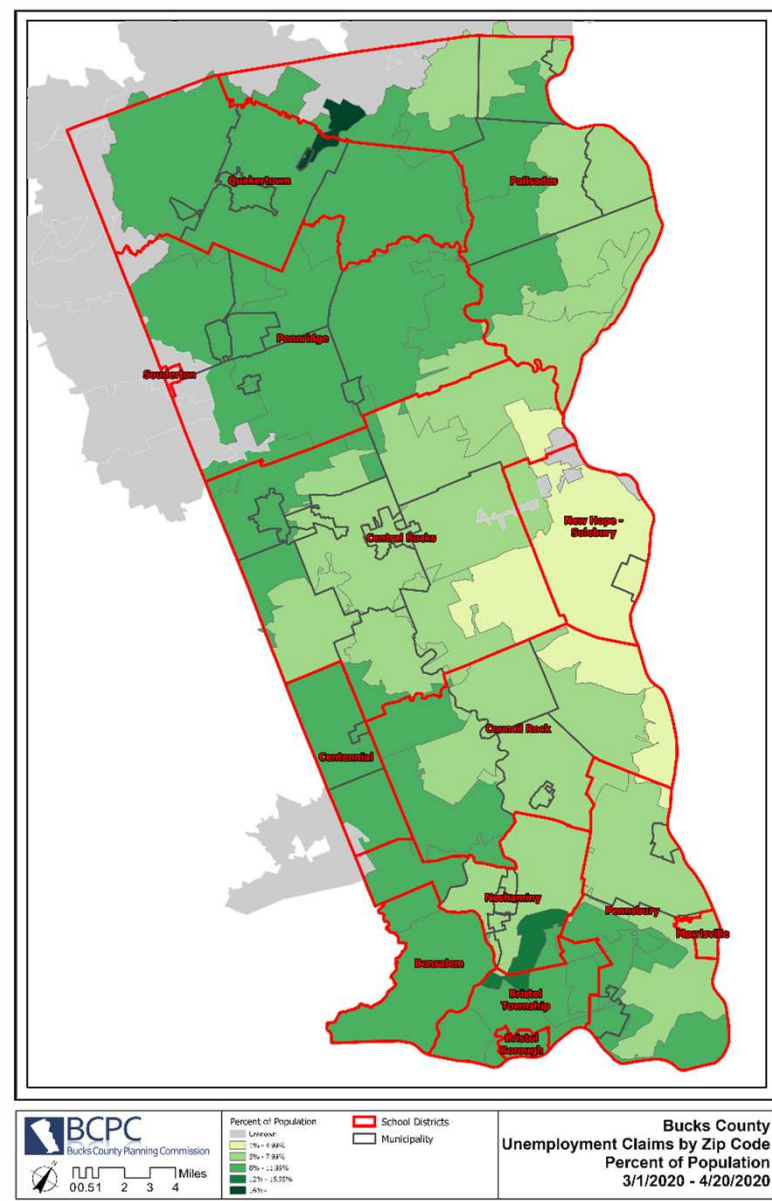
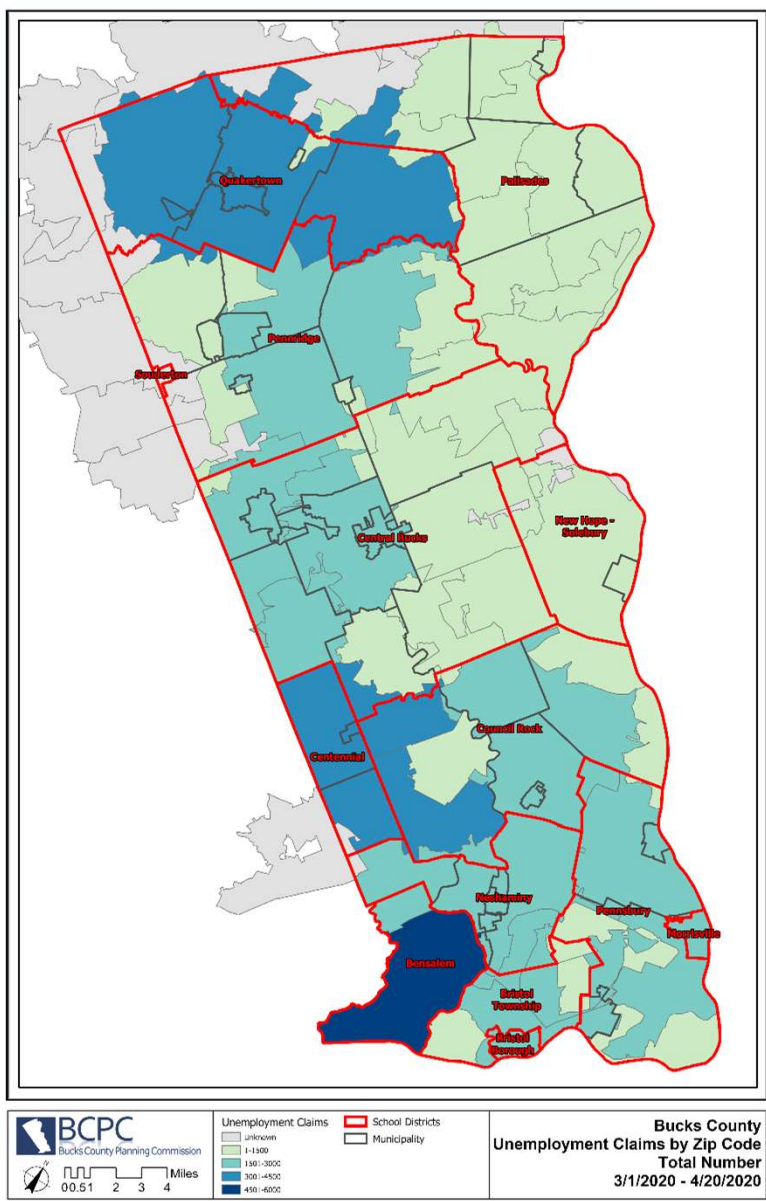


Note: Seasonally adjusted
Source: Labor Department

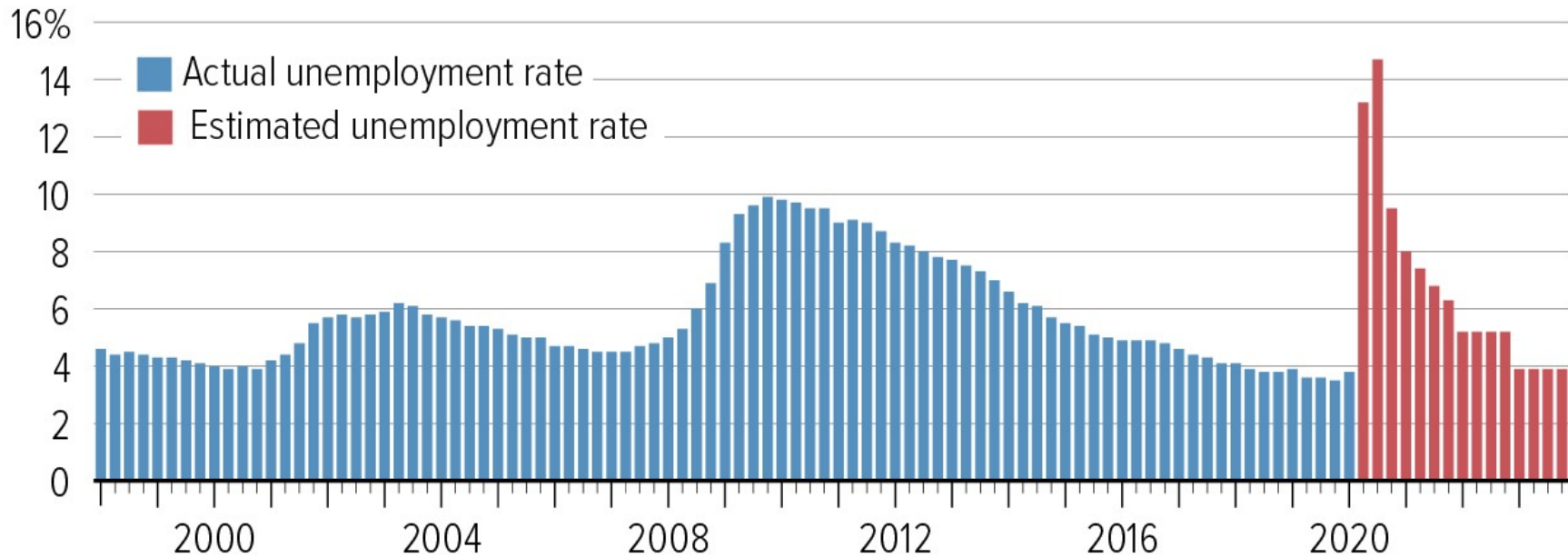


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Response to COVID-19 Driving Skyrocketing Unemployment



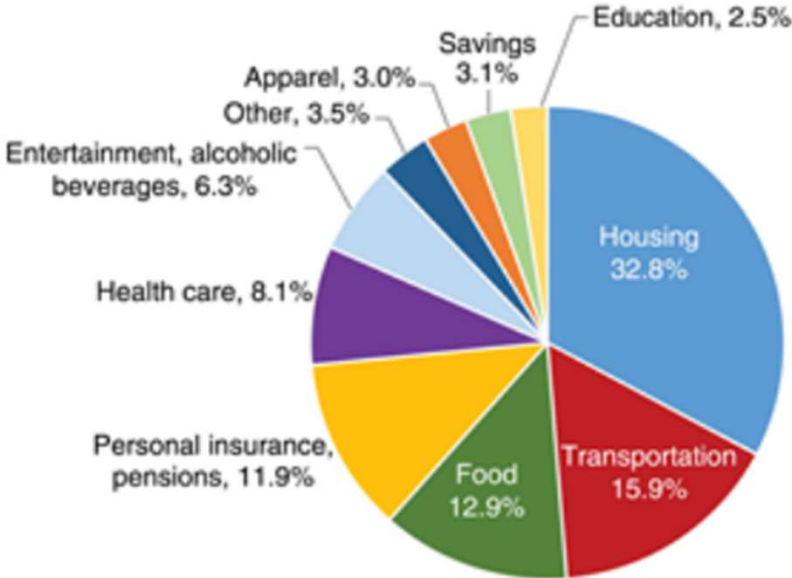
Source: Actual: Bureau of Labor Statistics; Estimated: Goldman Sachs quarterly estimates from 2020 and 2021 and annual estimates for 2022 and 2023, (April 1 2020)

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US Economy is 2/3 Consumer Based



Share of U.S. household consumer expenditures by major categories, 2018



Note: "Other" includes personal care products, tobacco, and miscellaneous expenditures.
"Education" includes education and reading.
Source: USDA, Economic Research Service using data from the U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, 2018.

Leading Indicators Pre COVID-19



Leading Indicators- Tend to move before changes in the Economy

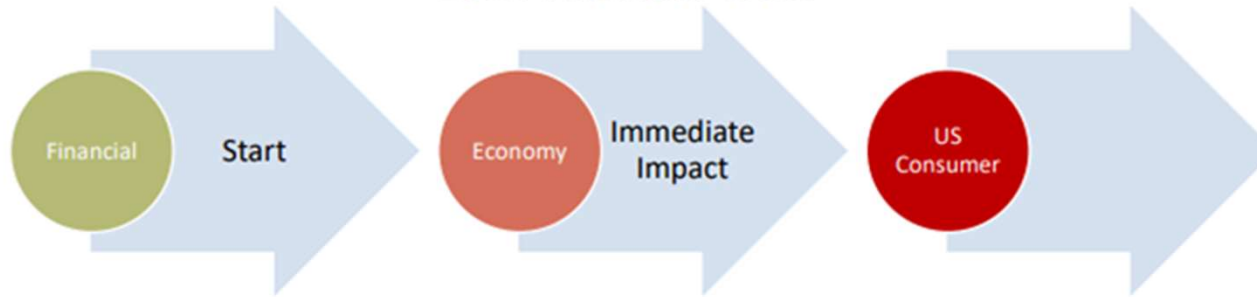


US Leading Indicators were already showing signs of a slight slow down...

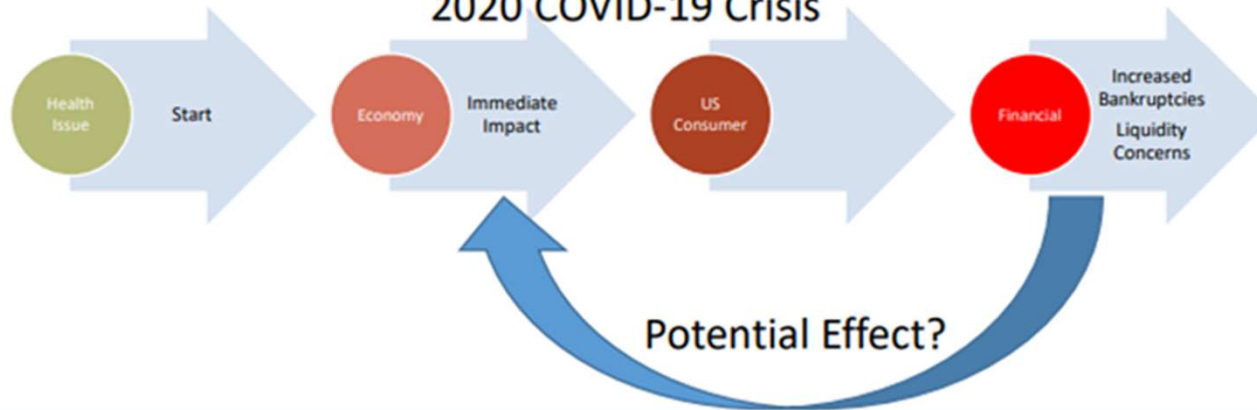
2008 Financial Crisis Comparison



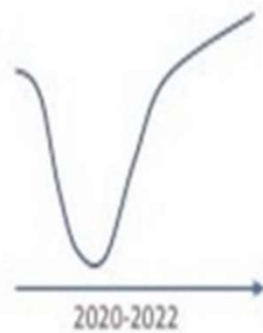
2008 Financial Crisis



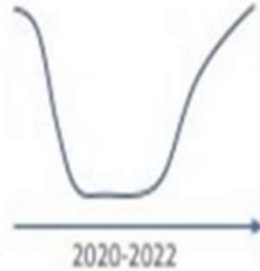
2020 COVID-19 Crisis



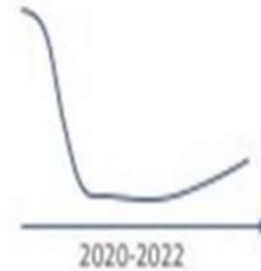
***Today we are one step closer to the Recovery...
Question is- Which One?***



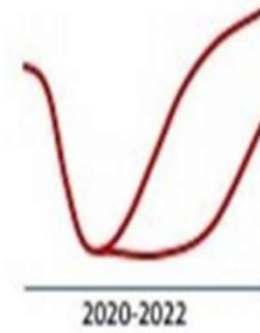
V-Shaped Recovery



U-Shaped Recovery



L-Shaped Recovery



Y-Shaped Recovery

In a Y-shaped recovery, the economy divides into two tracks: slow and fast. Sectors on the bottom (slow) branch of the Y take more than a year to recover, maybe even two years. That includes (probably) airlines, hotels, tourism, automobiles, and energy. Sectors on the (fast) top branch roar back much more quickly. Zoom and Amazon have already begun to roar, and many other companies will follow, including manufacturers, healthcare providers, and pharma companies.

COVID-19 State Budget Shortfalls Could Be Largest on Record

Total state budget shortfall in each fiscal year, in billions of 2020 dollars



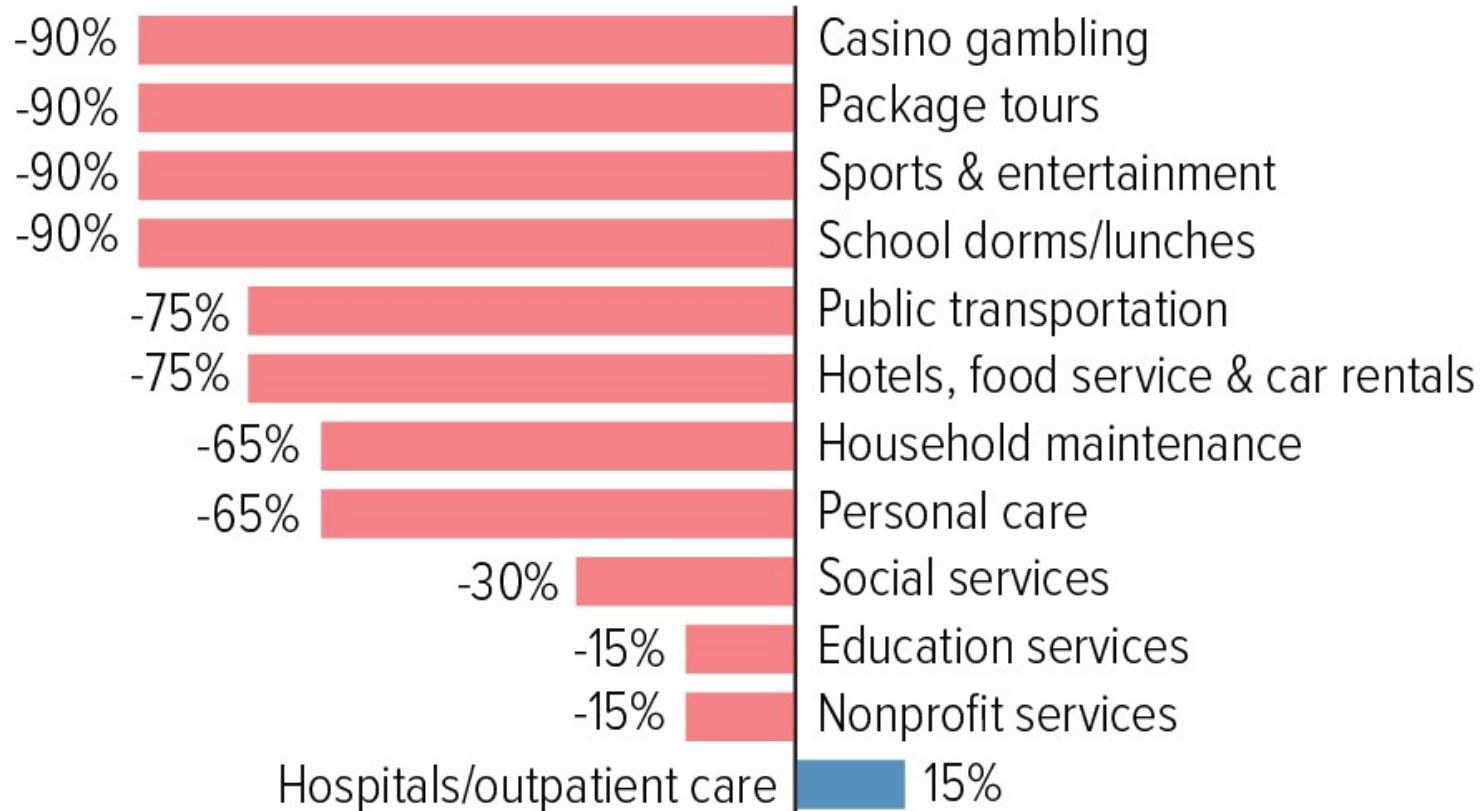
* Estimated based on CBPP calculations

Source: Pre 2014: CBPP survey; 2020 and following: CBPP calculations

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Service Industries Hardest Hit By COVID-19 Outbreak

Projected change in spending in late March and April compared to pre-COVID-19 estimates

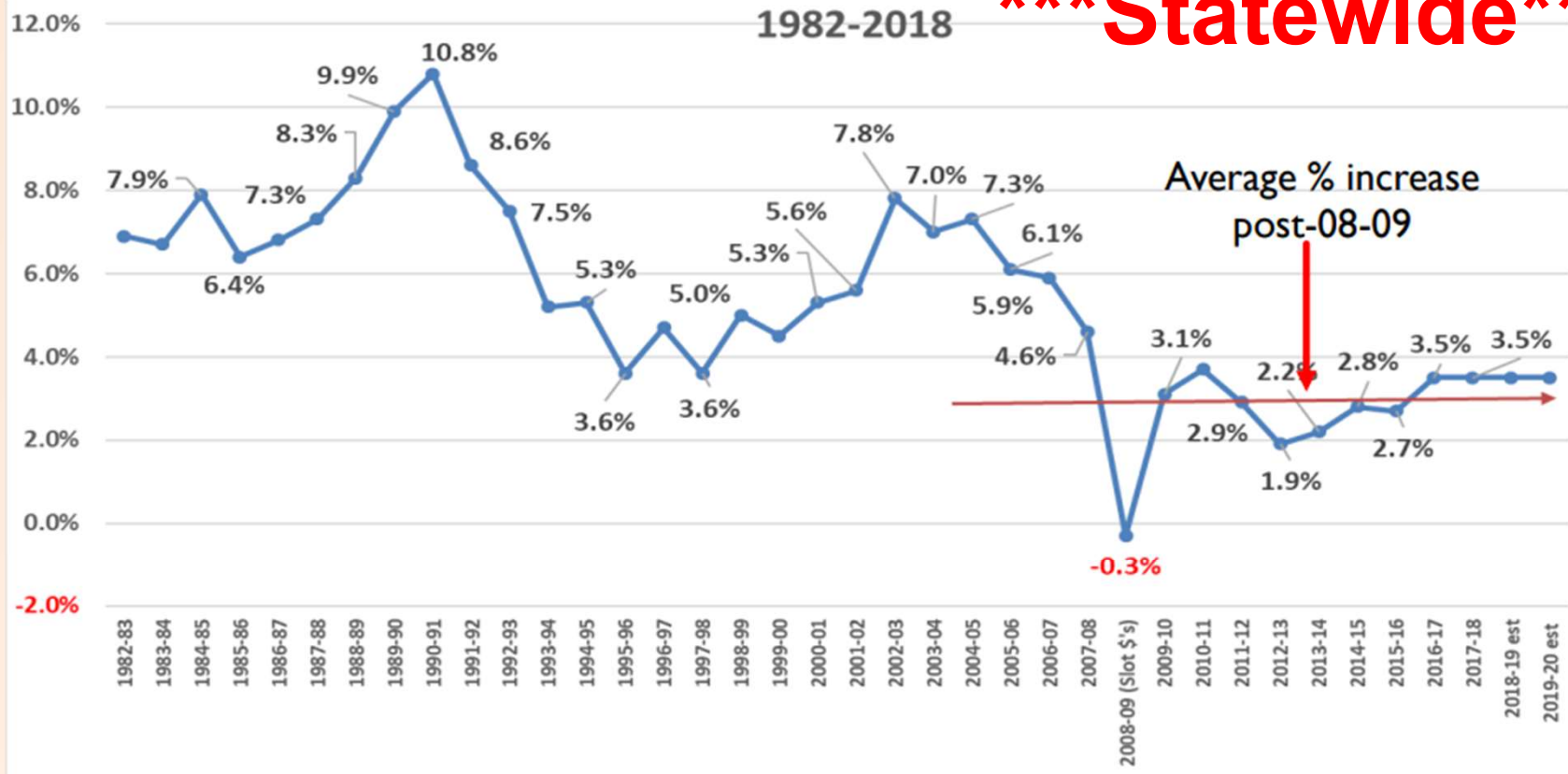


Source: Goldman Sachs

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PROPERTY TAX ANNUAL % INCREASE

*****Statewide*****



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STATEWIDE—PROPERTY TAX, DELINQUENTS & INTERIMS: ANNUAL % CHANGE AND REBOUND

*****Statewide*****

		Year over Year % Change			
		6400 Delinquents	Total PT	Property Tax	Interims
	2004-05	-2.3%	7.3%	7.3%	8.5%
	2005-06	6.0%	6.0%	6.0%	6.8%
	2006-07	-2.9%	6.0%	6.1%	-3.1%
	2007-08	2.2%	4.6%	4.8%	-10.6%
Slots	2008-09	3.9%	-0.4%	-0.3%	-12.0%
	2009-10	8.2%	3.1%	3.2%	-20.3%
	2010-11	-3.0%	3.7%	3.8%	-9.8%
	2011-12	-0.1%	2.9%	2.9%	-8.6%
	2012-13	3.2%	1.9%	2.0%	-9.5%
	2013-14	4.9%	2.1%	2.0%	20.6%
	2014-15	-2.5%	2.9%	2.9%	2.9%
	2015-16	-1.4%	2.7%	2.7%	4.4%
	2016-17	-3.1%	3.5%	3.4%	22.3%
	2017-18	-0.9%	3.5%	3.6%	-3.5%

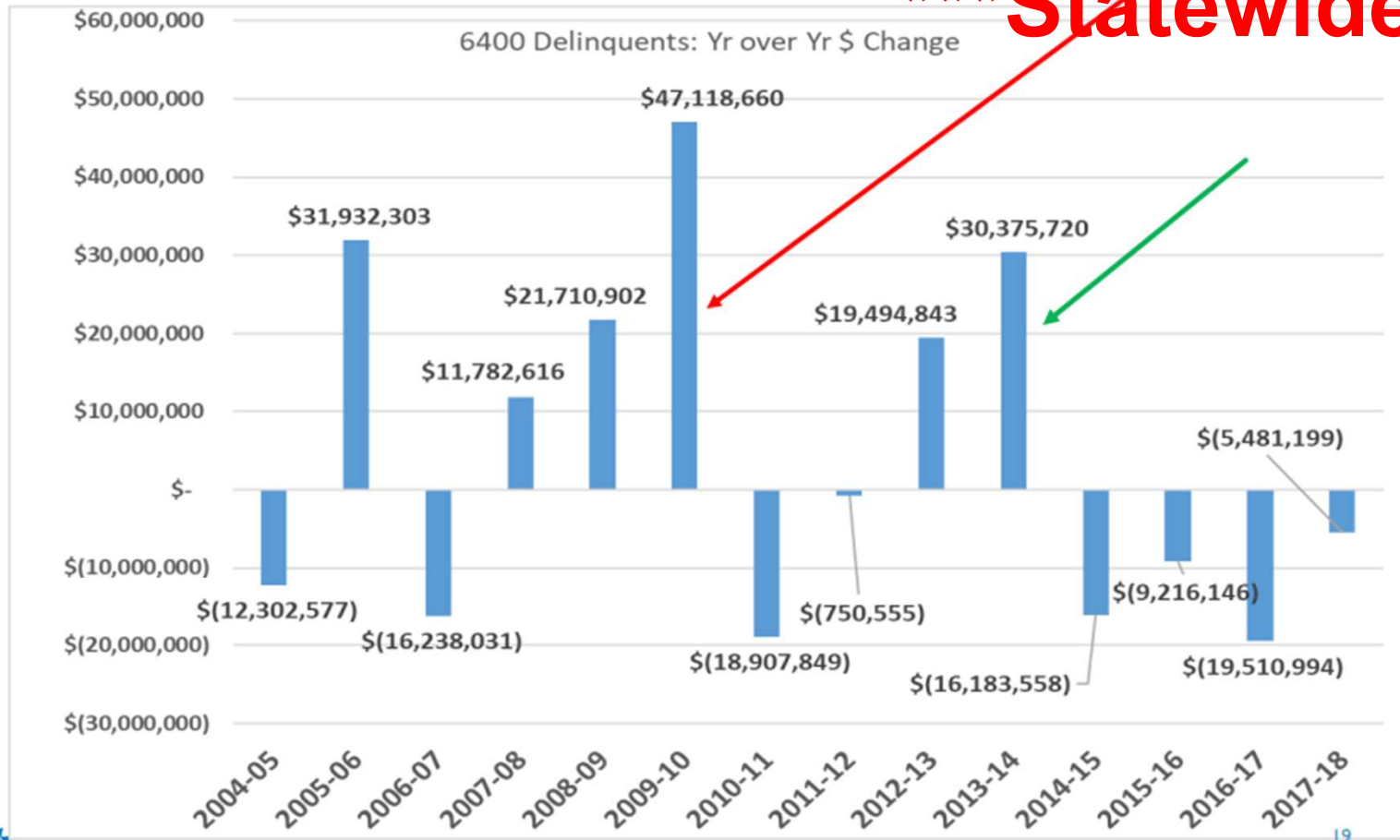


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STATEWIDE—PROPERTY TAX, DELINQUENTS & INTERIMS: ANNUAL % CHANGE AND REBOUND

*****Statewide*****

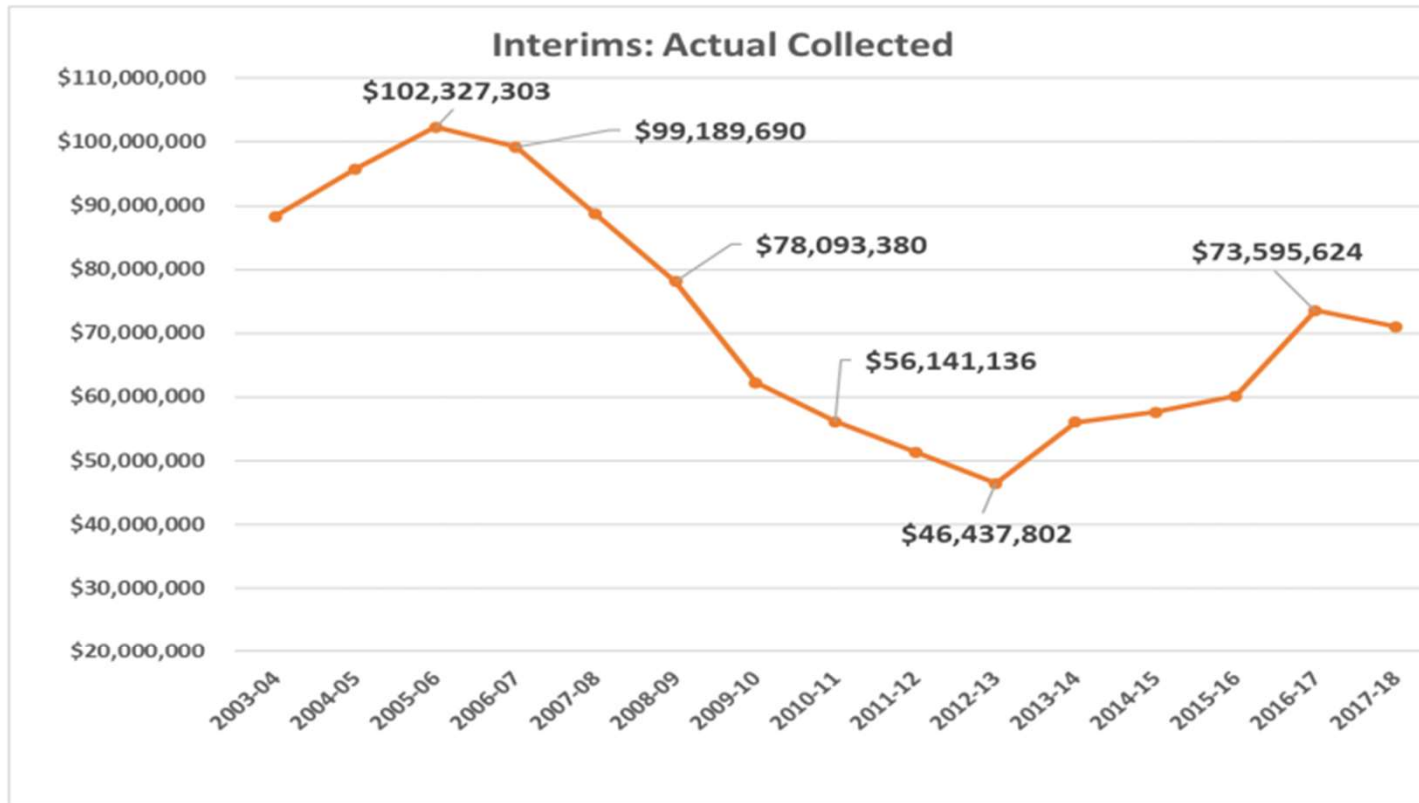


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STATEWIDE: INTERIMS

*****Statewide*****



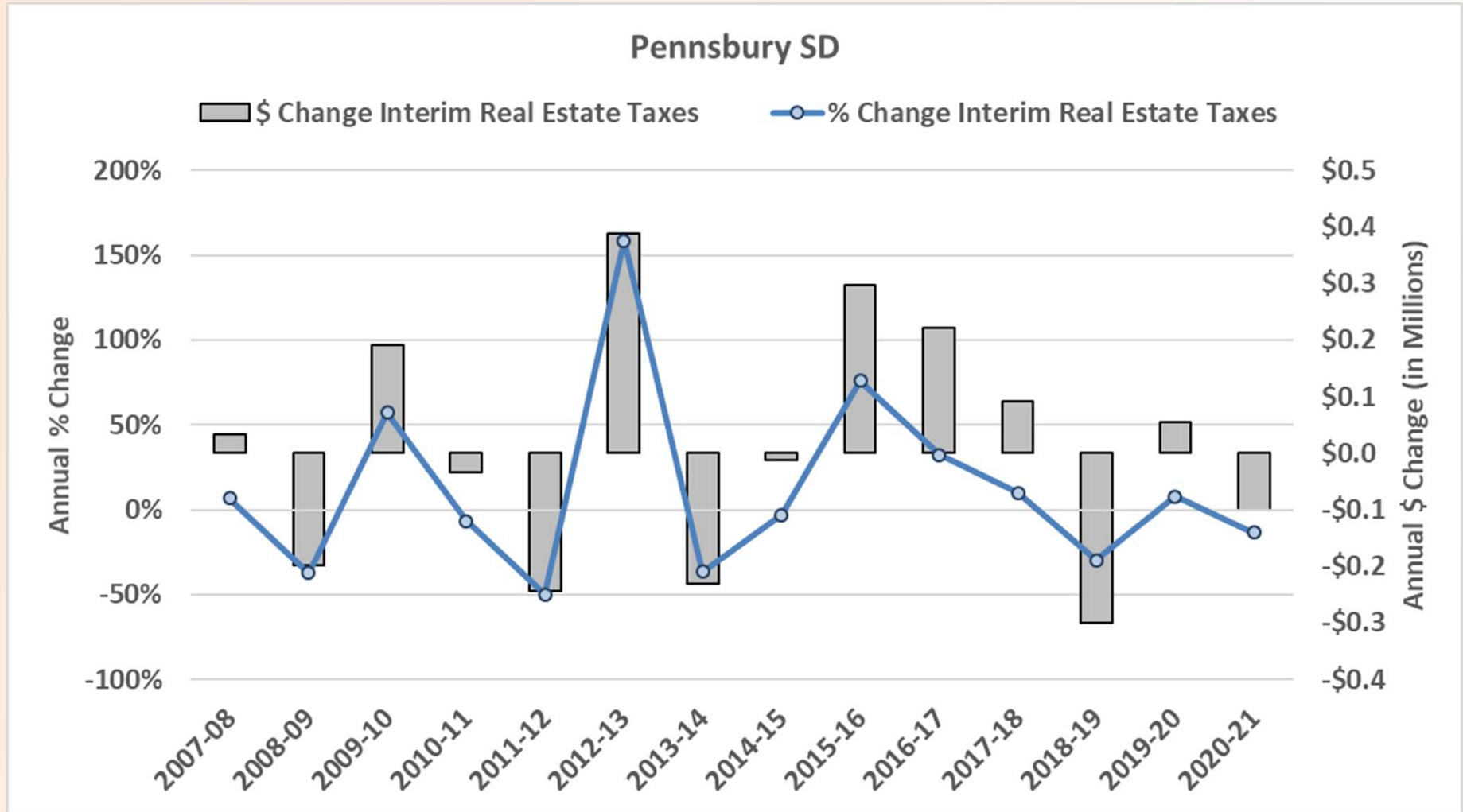
Fell by more than half, with a long tail post recession...



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REALTY TRANSFER TAXES

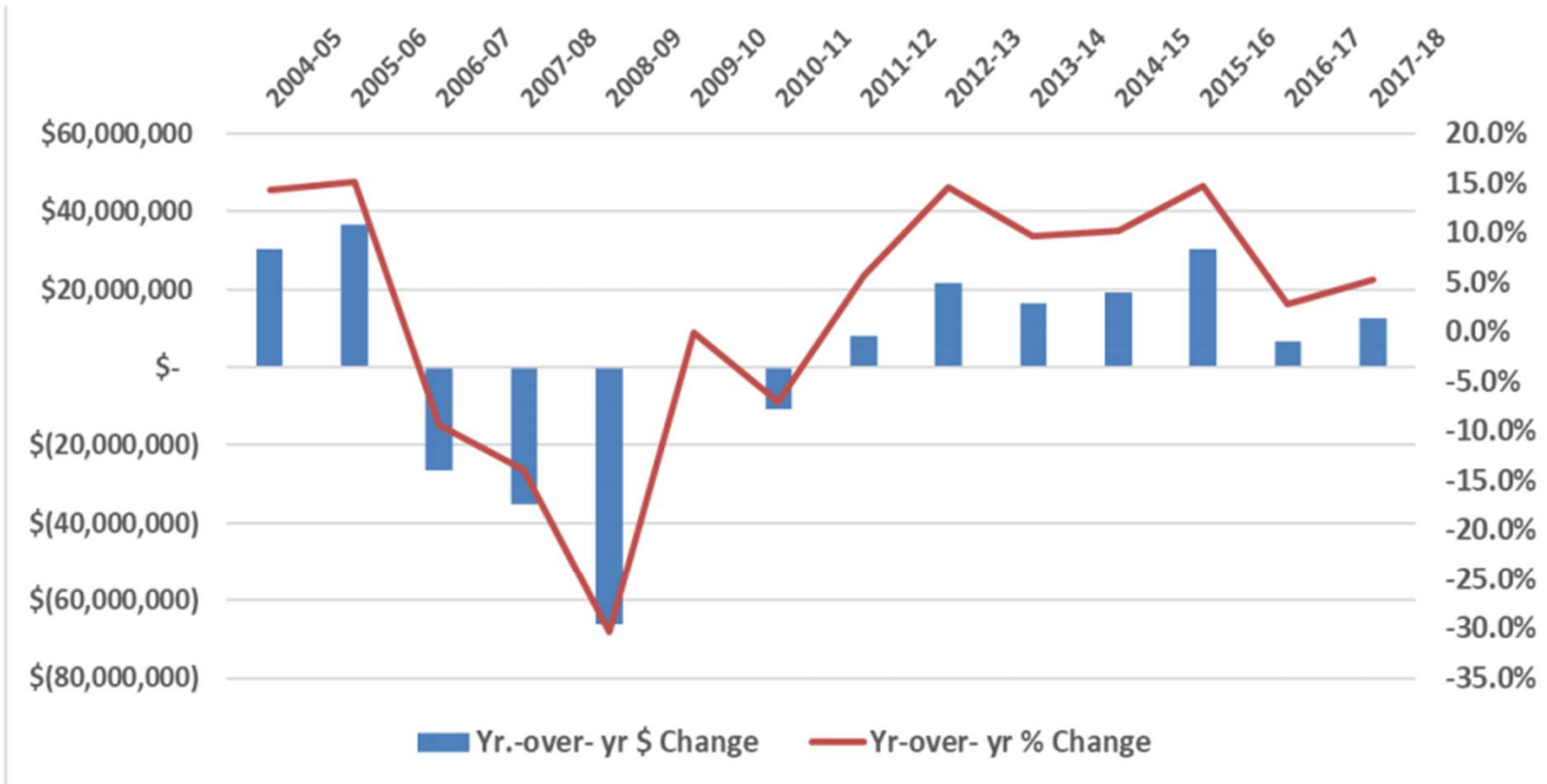
*****Statewide*****

	Realty Transfer 6153	Yr.-over- yr \$ Change	Yr-over- yr % Change	Cumulative
2003-04	\$ 212,342,659			
2004-05	\$ 242,667,338	\$ 30,324,678	14.3%	
2005-06	\$ 279,246,075	\$ 36,578,737	15.1%	
2006-07	\$ 252,959,384	\$ (26,286,691)	-9.4%	-9.4%
2007-08	\$ 217,809,543	\$ (35,149,841)	-13.9%	-23.3%
2008-09	\$ 151,718,812	\$ (66,090,731)	-30.3%	-53.7%
2009-10	\$ 151,711,514	\$ (7,299)	0.0%	-53.7%
2010-11	\$ 141,063,808	\$ (10,647,705)	-7.0%	-60.7%
2011-12	\$ 149,155,478	\$ 8,091,670	5.7%	
2012-13	\$ 170,928,763	\$ 21,773,285	14.6%	
2013-14	\$ 187,525,889	\$ 16,597,126	9.7%	
2014-15	\$ 206,596,430	\$ 19,070,541	10.2%	
2015-16	\$ 237,136,982	\$ 30,540,552	14.8%	
2016-17	\$ 243,702,781	\$ 6,565,799	2.8%	
2017-18	\$ 256,402,227	\$ 12,699,447	5.2%	

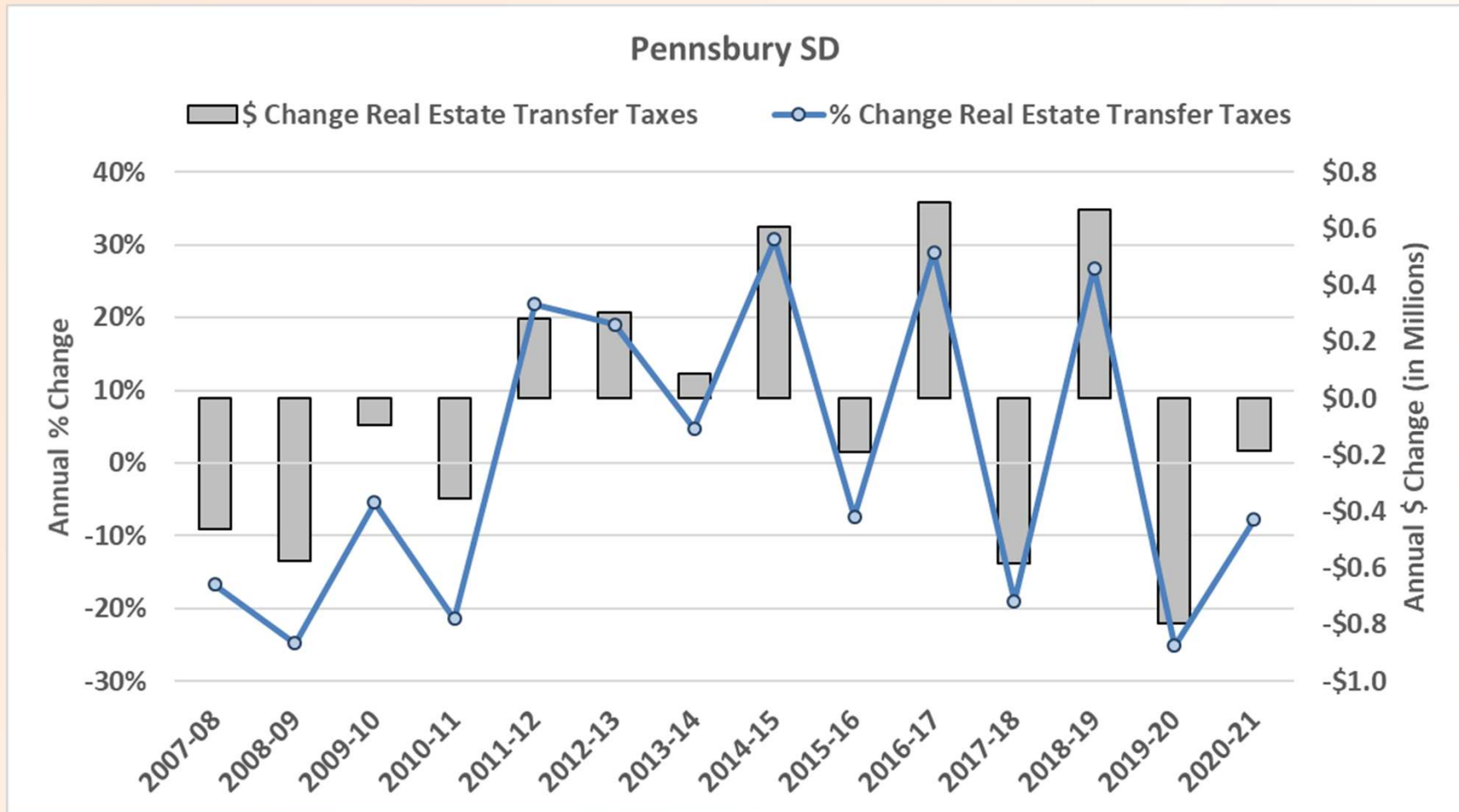


REALTY TRANSFER TAXES

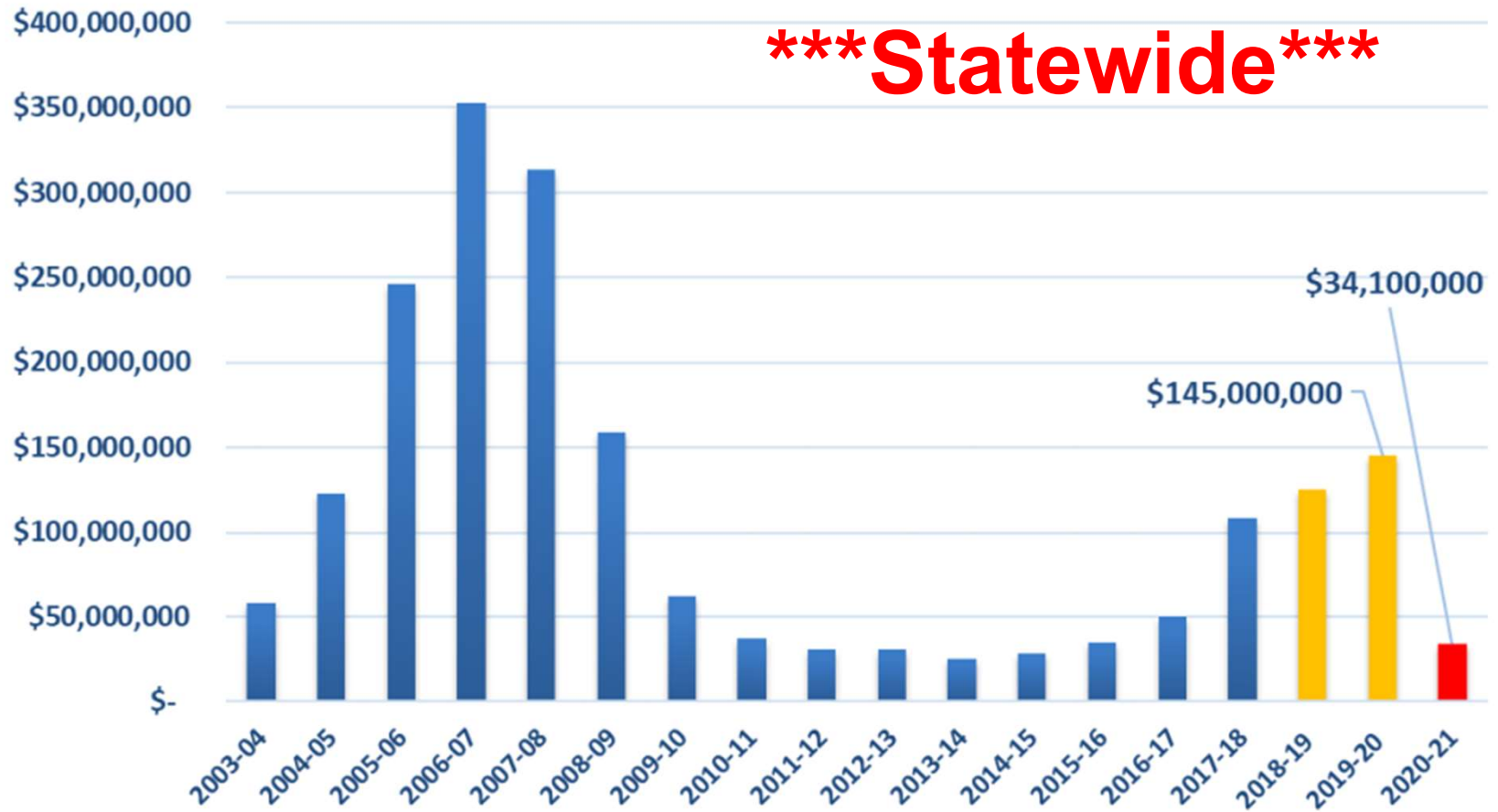
*****Statewide*****



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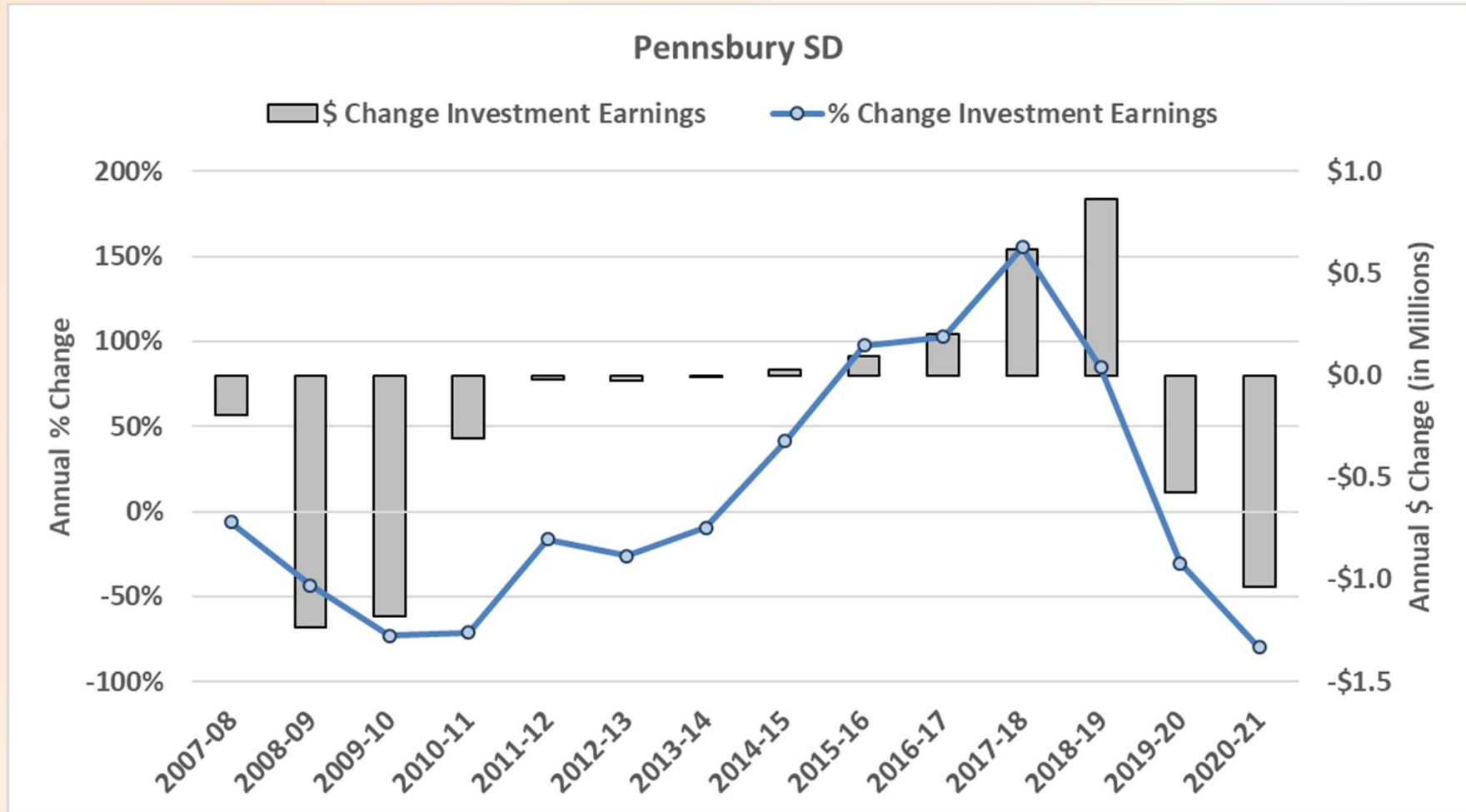
SCHOOL DISTRICT INTEREST EARNINGS



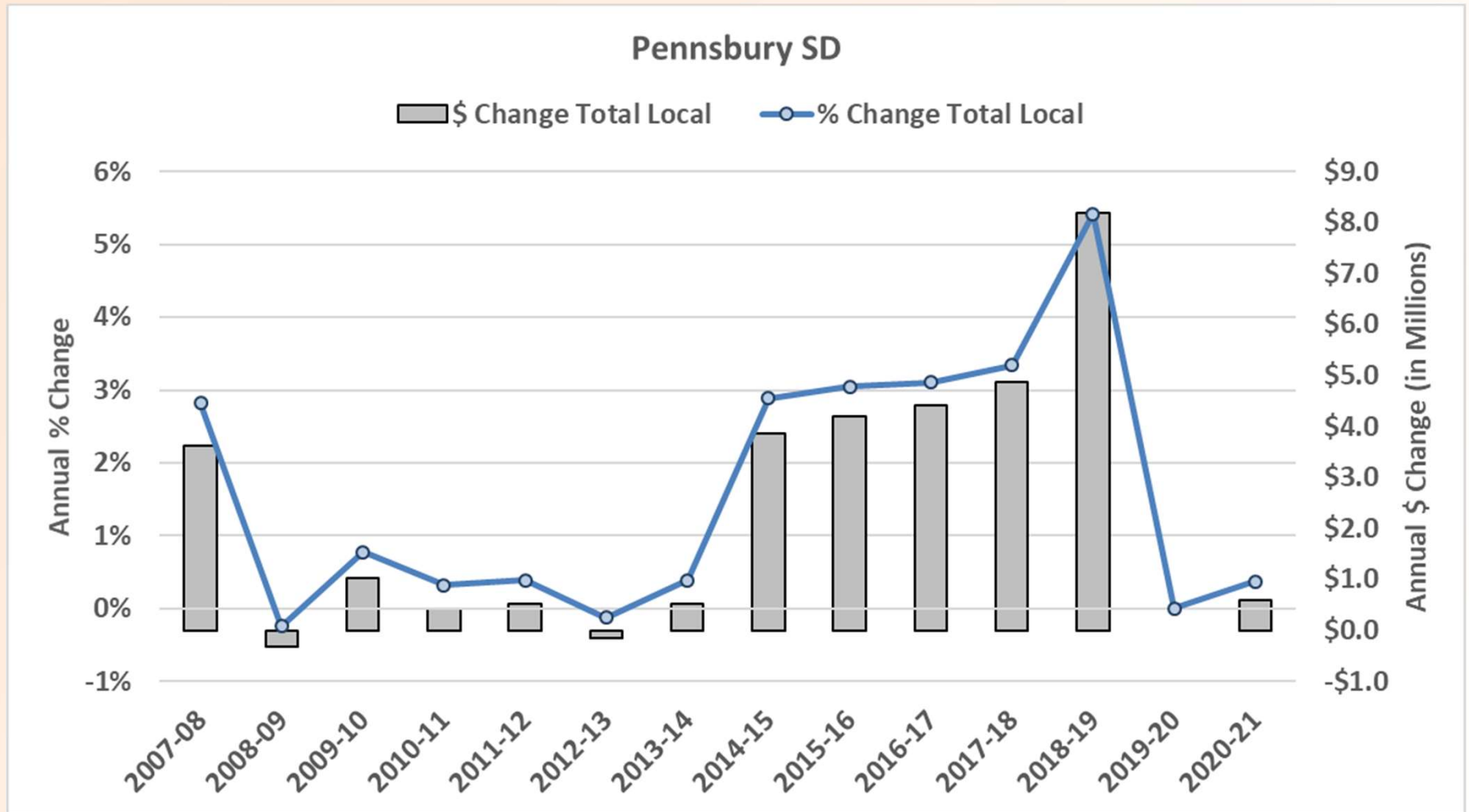
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STATE REVENUES—WHAT WE KNOW NOW

- Estimated shortfall due to COVID-19 is \$4 billion
- State 19-20 budget is slightly more than \$34 billion
- At a minimum: a 10% to 12% shortfall
- Likely means (without any additional federal COVID-19 funding) no increases in BEF/SEF as proposed in the 2020-21 budget, **AT A MINIMUM**
- Potentially could mean cuts in BEF/SEF for 20-21
- Act 13 protects state revenues for 19-20



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STATE REVENUES—WHAT WE DON'T KNOW

- April revenue report would have been a key indicator, except that the filing date for PIT has been pushed into July
- Even more volatile will be SUT, which is expected to immediately decline and especially for big ticket purchases such as automobiles
- Combined, these two state revenues account for almost 75% of state revenues



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IMPACT ON WAGES AND SALARIES—I FO

- The Independent Fiscal Office (IFO) estimated impact of COVID-19 on remaining FY 19-20 revenue collections.
- The report estimated two scenarios: 1) closures end April 27; 2) closures end May 25 in second.
- IFO estimated two growth rate scenarios for wages and salaries for the current fiscal year will be -1.0% and -1.7%
- IFO cited an IHS Markit Report just released with the calendar year growth rates of 4.3% in 2018 and 4.7% in 2019. The 2020 growth is forecasted at -1.7%. For 2021, the forecast returns to a 3.9% growth in wages and salaries.



IMPACT ON STATE REVENUE ESTIMATES 20-21



- Corporate net income tax revenues decline by \$754 million (S2).
- Sales-use tax revenues decline by \$366 million (S2).
- Personal income tax revenues decline by \$997 million (S2).
- Total General Fund revenues decline by \$2.2 billion (S2).
- For FY 2019-20 and FY 2020-21 combined, revenues fall by and \$3.9 billion (S2).
- The estimate excludes a potential gain of \$400 to \$500 million from federal stimulus

<http://www.ifo.state.pa.us/download.cfm?file=Resources/Documents/Revenue-Update-2020-04.pdf>



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State Tax Collections Drop During Recessions

Percent change in annual tax collections, fiscal years 1976-2017



Source: CBPP calculations of census data

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FEDERAL REVENUES—WHAT WE KNOW NOW RE: CARES ACT FUNDING

Governor's Emergency Education Relief Fund: \$3B

- PA allocation—\$105 million—maybe \$50 million k-12
- Distribution—at the discretion of the governor
 - Distribution or grants??
 - In the same percentages as all current expenditures?
 - K-12 is about 36% of all state expenditures



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FEDERAL REVENUES:WHAT WE KNOW NOW RE: CARES ACT FUNDING

Elementary/Secondary School Emergency Relief Fund: \$13.5 B

- PA allocation of \$13.5B—\$471.4 million to LEAs
 - SDs receive \$399.8 million (85%)/charters receive \$71.6 million (15%)
 - Unclear amount PDE will hold back
- Allocation is based on shares of Title I-A funding

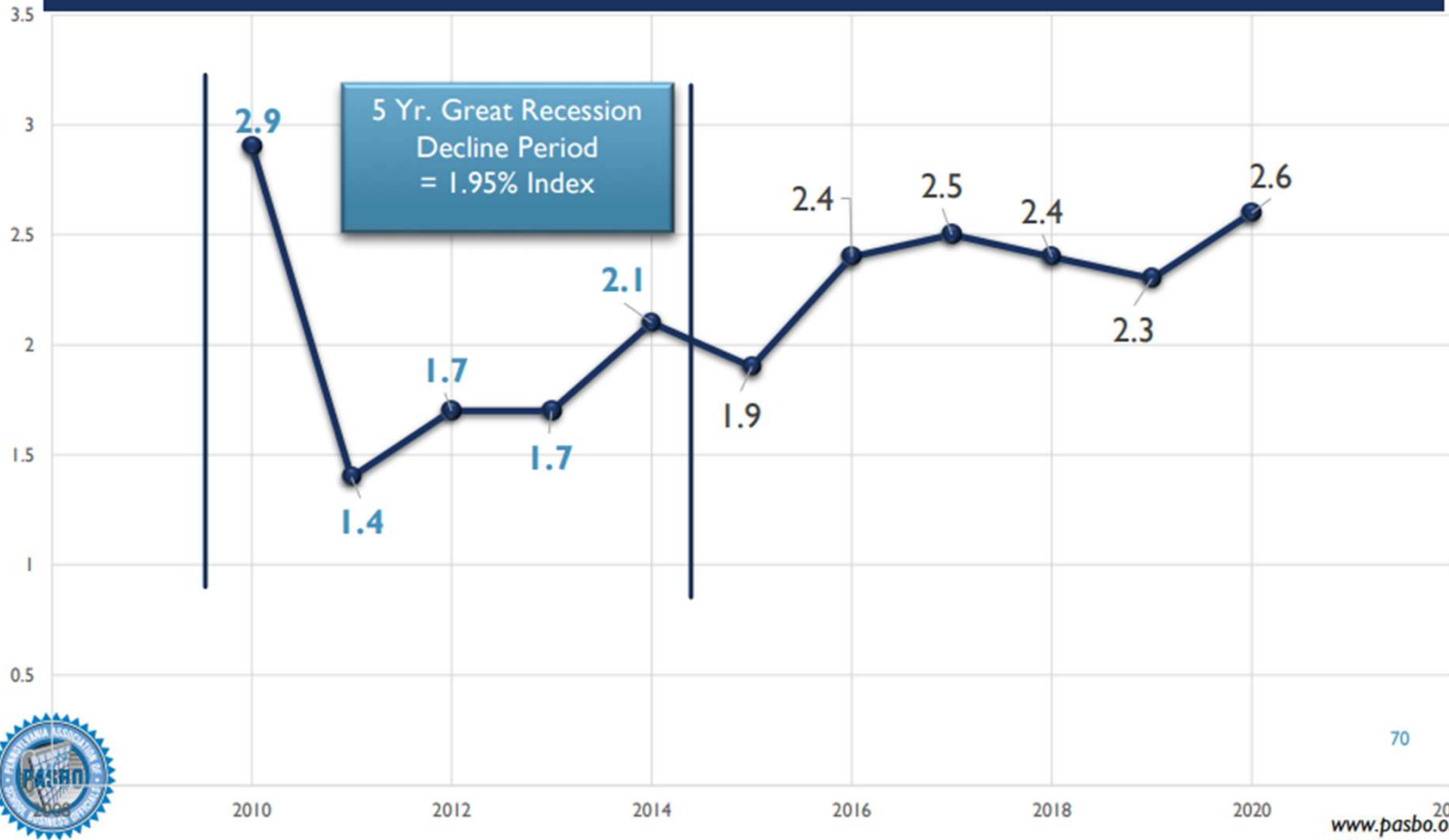


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OTHER COMPLEXITIES...ACT I INDEX



RECAP: 2019-20 EXPENDITURES

Current year expenditures favorable

*****Statewide*****

- Not buying transportation fuels at normal usage, reduced energy, supply, event, equipment costs...?

Current year expenditures unfavorable

- Expenses paid for COVID 19 related issues: food delivery and remote food stations, training, supplies, cleaning, sanitizing, security and safety protocols in buildings and grounds, technology for communications/education/instruction

Many districts may see 2020 expense underspent (but not all)

- Underspent expense line items DO NOT mean districts have left-over money
- How much the local revenue side of the equation drops will be the larger determinant



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POST-COVID 20-21 BUDGET DEPENDS ON:

- How your finances were holding up before COVID-19
- How your 19-20 net expenditures and revenues held up post closure
- How your projected 20-21 revised total local revenue estimates appear
- How your projected 20-21 total state revenues appear...are they known? When will they be known?
- How your share of the Federal CARES Act funding aligns with above local and state revenue changes...it all nets out



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Legacy Challenges:

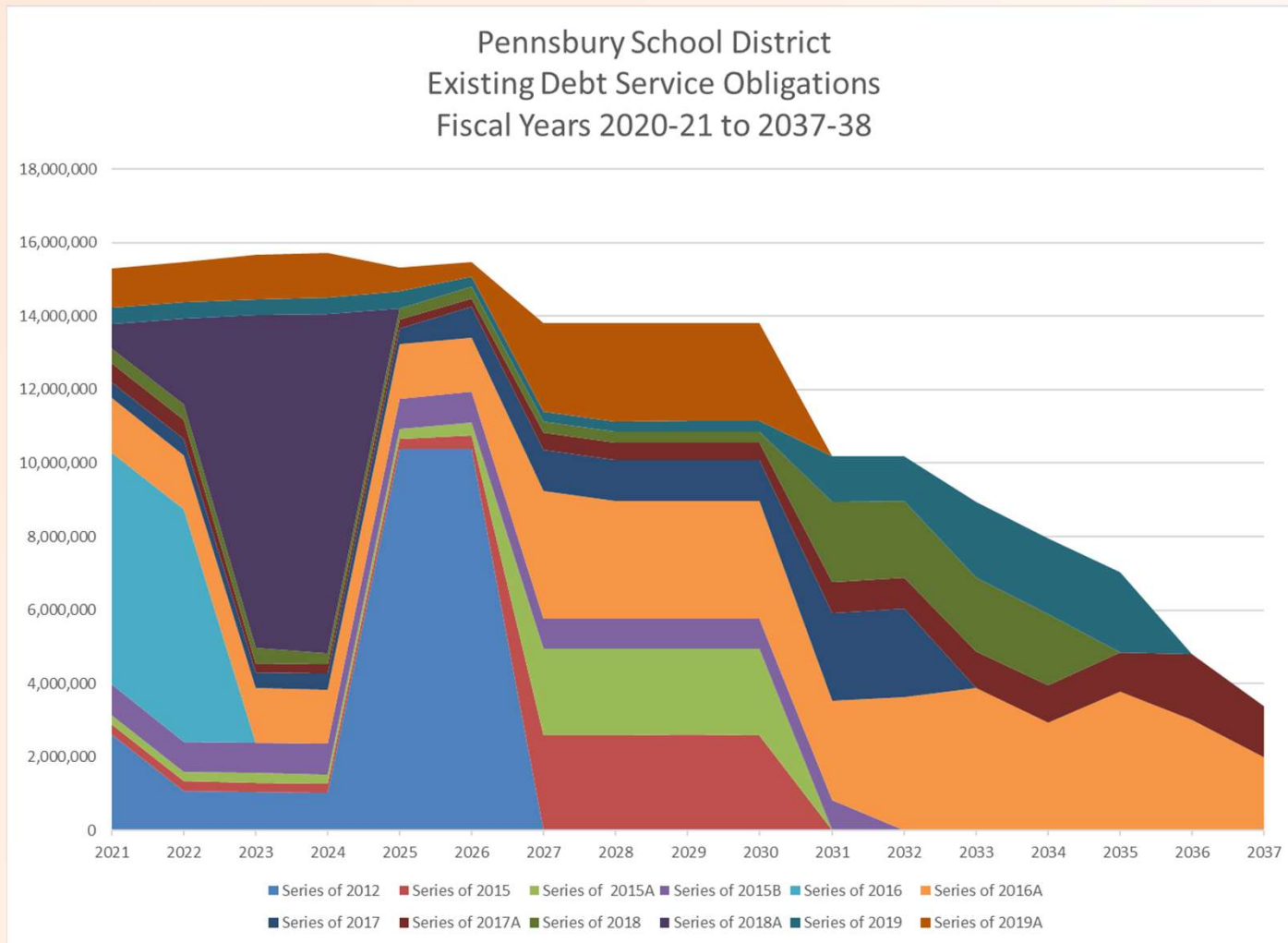
The starting point is not zero

Legacy Challenge	Amount	Millage Equivalent	% Increase
Fund Balance appropriated 19-20	\$(1,500,000)	1.6760	0.99%
Millage Rate adopted incorrectly 19-20	(895,000)	1.0000	0.59%
BCIU reconciliation 18-19	(1,100,000)	1.2291	0.72%
Unbudgeted employee contribution change 19-20	(300,000)	0.3352	0.20%
Unbudgeted additional paraprofessional support 19-20	(420,000)	0.4693	0.28%
Contractual salary increases 20-21	(3,273,387)	3.6574	2.15%
PSERS rate increase 20-21	(567,721)	0.6343	0.37%
Total	\$(8,056,108)	9.0012	5.29%

Key Assumptions 2020-21

- The preliminary budget already reflects the assumption of 23 retirements creating a savings between the incumbent and replacement salary and benefit expenses.
- 3.5 vacancies will not be filled.
- Historical growth in property assessment is tempered for two years.
- There is no allocation for new positions.
- **There are no hidden set asides for anything.**

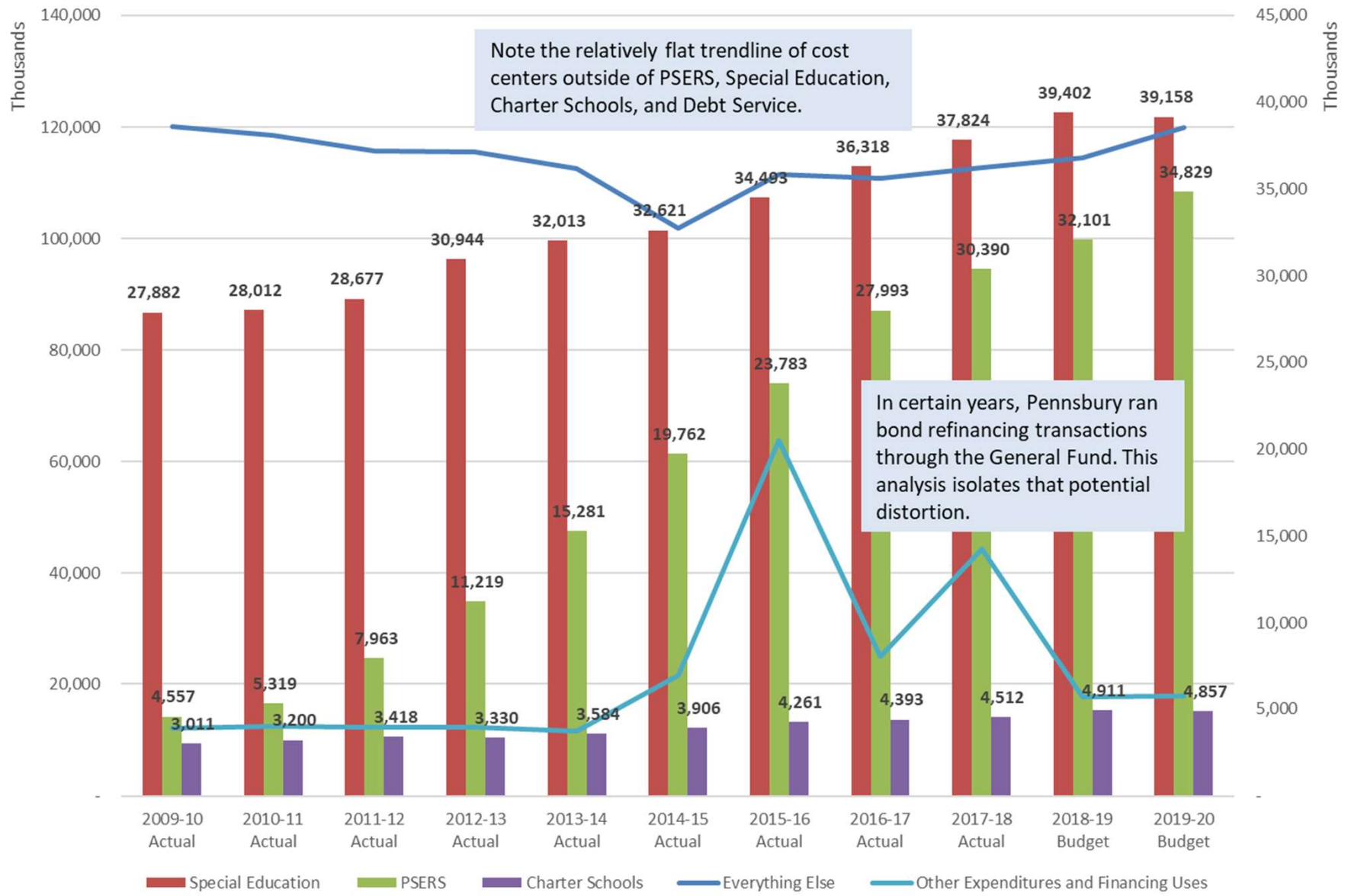
Existing Debt Service is Flat Through 2025-26



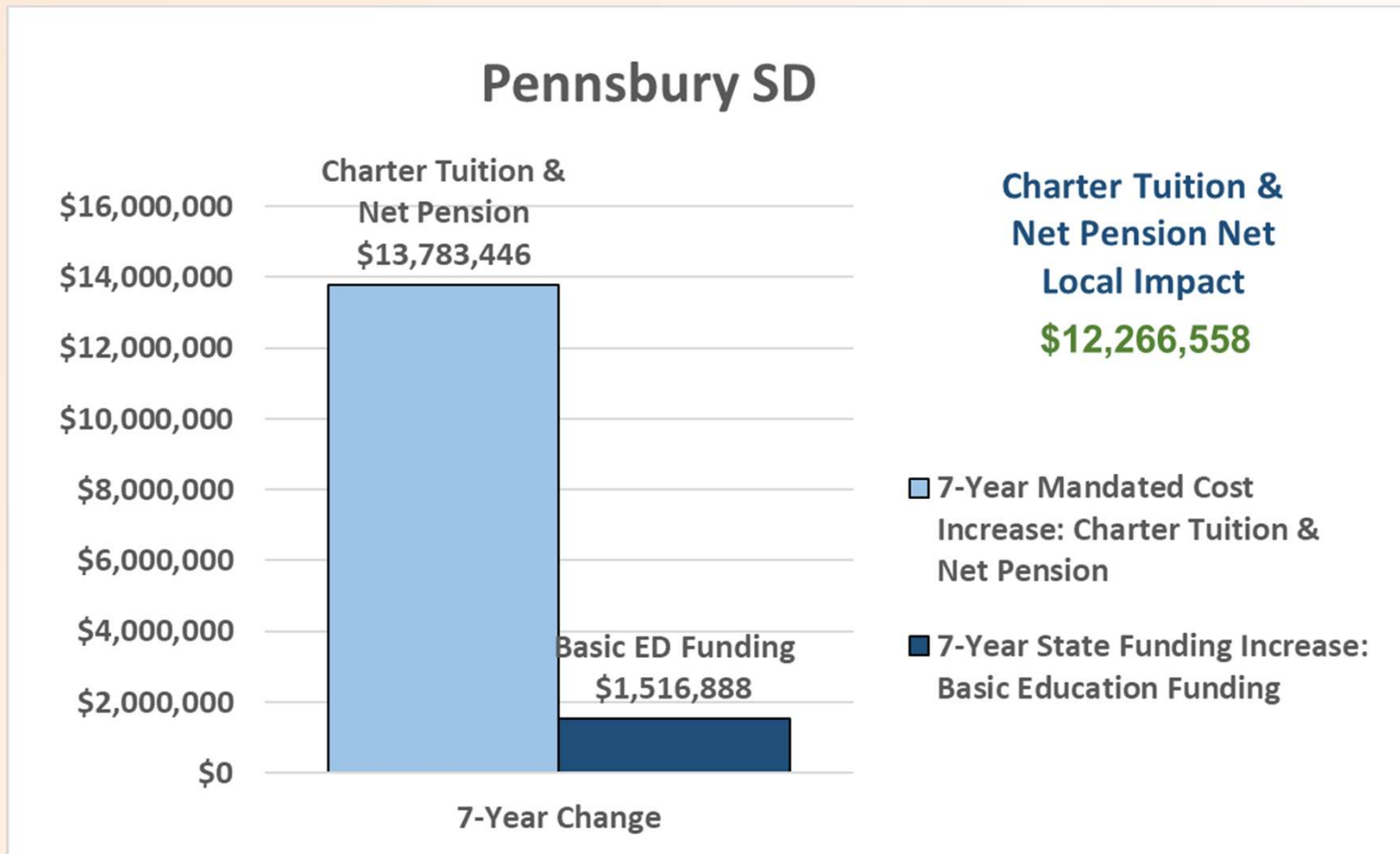
Un/Underfund Mandates Drive Pennsbury's Expenditures

PENNSBURY SCHOOL DISTRICT						4/1/2020
Analysis of Long-Term Trends and the Impact of Un/Underfund Mandates						
Year	Everything Else	Special Education	PSERS	Charter Schools	Other Expenditures and Financing Uses	Total Expenditures
2009-10 Actual	120,038,701	27,882,399	4,556,714	3,011,110	12,012,399	167,501,323
2010-11 Actual	118,478,541	28,011,948	5,318,733	3,200,431	12,375,623	167,385,276
2011-12 Actual	115,723,781	28,676,792	7,963,494	3,418,456	12,336,525	168,119,047
2012-13 Actual	115,578,212	30,944,383	11,219,152	3,330,306	12,217,563	173,289,617
2013-14 Actual	112,503,734	32,012,509	15,280,729	3,583,950	11,611,055	174,991,976
2014-15 Actual	101,822,324	32,621,277	19,761,883	3,905,762	21,617,604	179,728,851
2015-16 Actual	111,539,752	34,493,254	23,782,700	4,261,117	63,837,944	237,914,767
2016-17 Actual	110,730,281	36,318,132	27,993,470	4,392,506	25,077,174	204,511,562
2017-18 Actual	112,761,854	37,824,493	30,390,344	4,511,662	44,287,163	229,775,516
2018-19 Budget	114,450,340	39,402,227	32,100,635	4,910,844	17,621,855	208,485,901
2019-20 Budget	119,971,911	39,158,138	34,829,479	4,856,550	17,903,292	216,719,370
Variance	(66,790)	11,275,739	30,272,765	1,845,440	5,890,893	49,218,047
% Change	-0.06%	40.44%	664.36%	61.29%	49.04%	29.38%
	Total Growth in Un/Underfunded Mandates			43,393,944		
	% Change Un/Underfunded Mandates			122.41%		

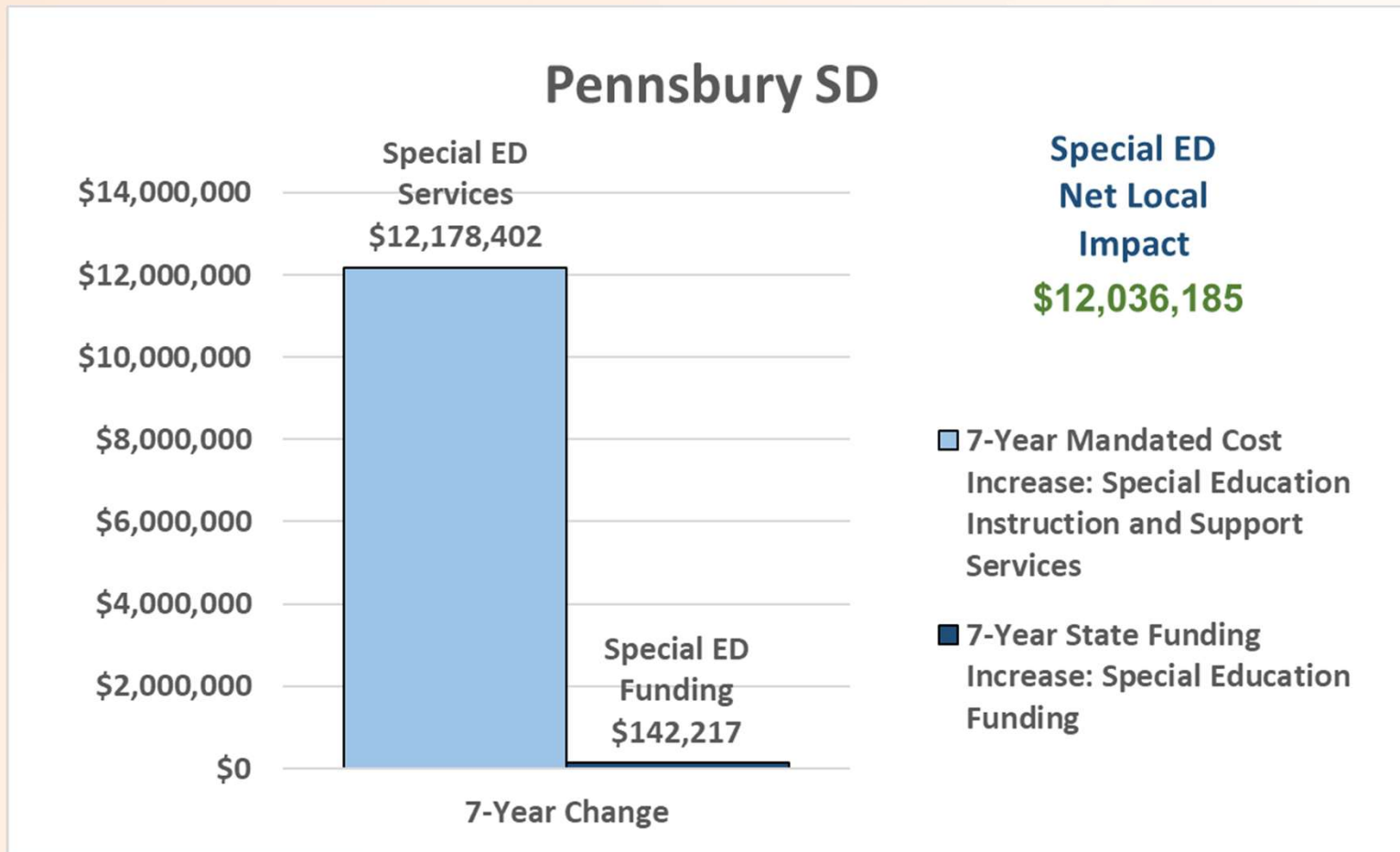
PSERS, Special Education, and Charter Schools Impact on Pennsbury's Budget 2009-10 Actual to 2019-20 Budget



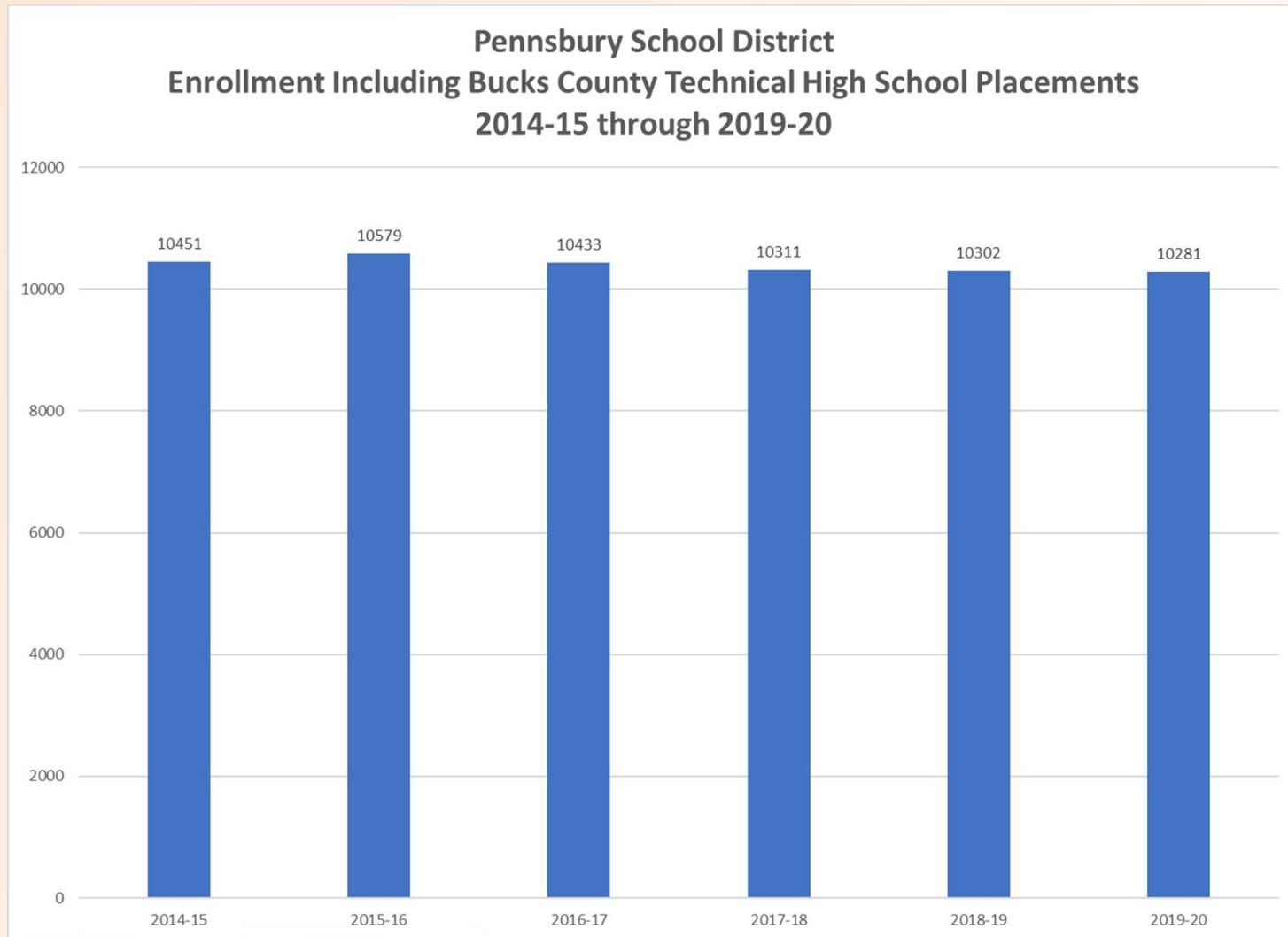
Growth of Pennsbury Underfunded Mandates



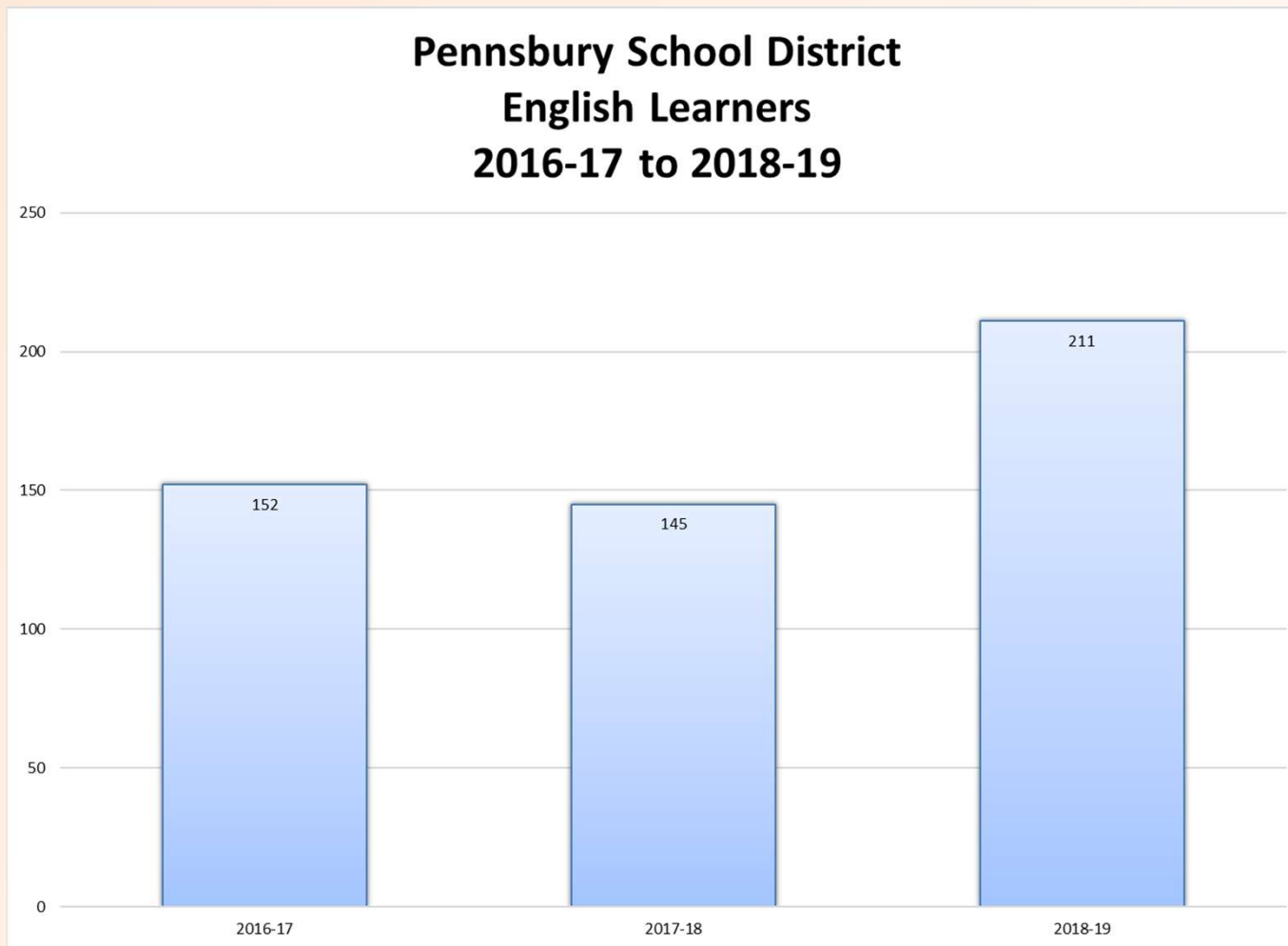
Growth of Pennsbury Underfunded Mandates



Enrollment has Flattened

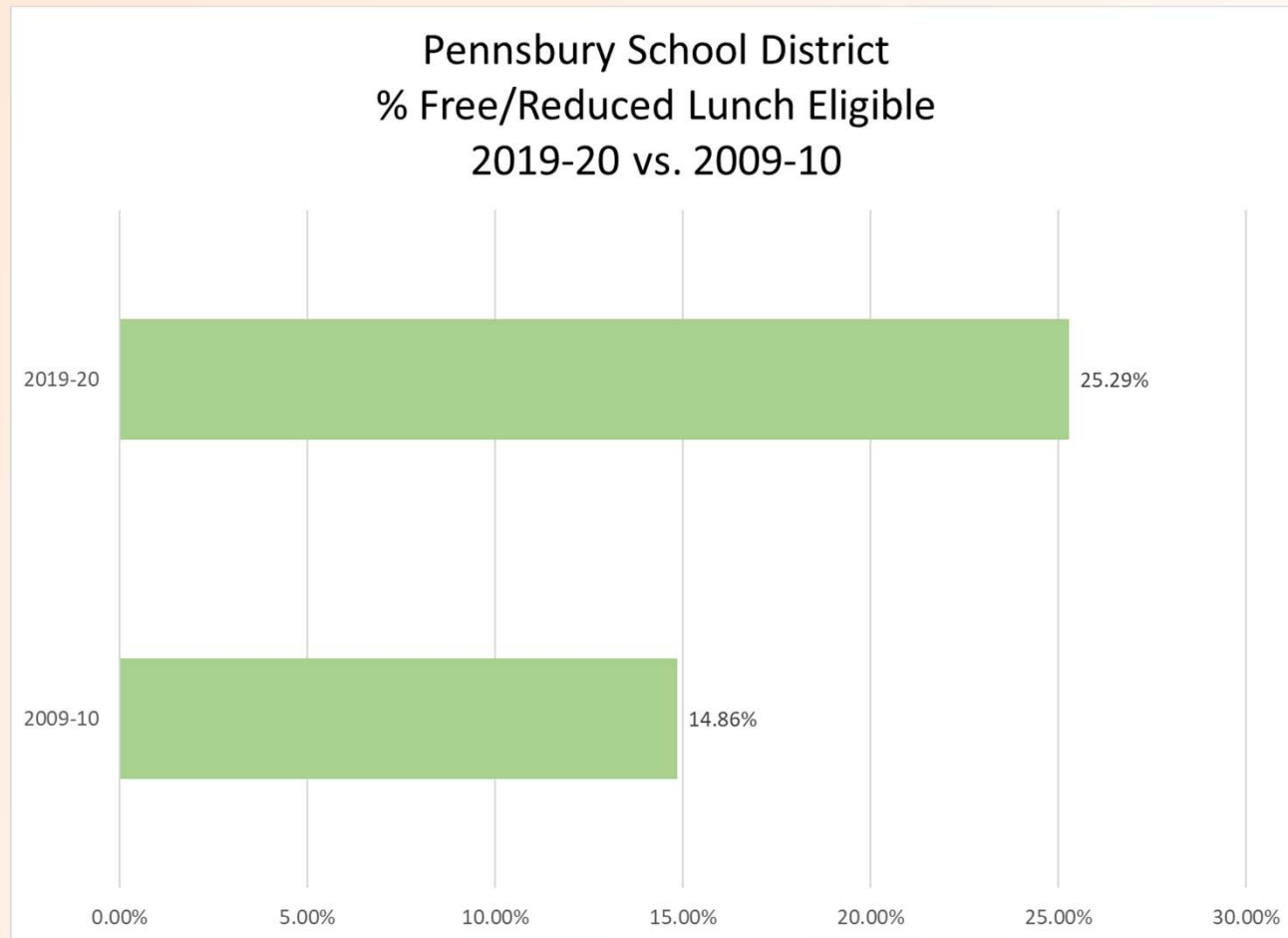


Student need is growing: ELL



Source: PA Department of Education

Student need is growing: Free and Reduced Lunch Eligibility



Source: PA Department of Education

2008-09: 16.2% Special Education



Special Education Data Report School Year 2008-2009

Pennsbury SD

Note: --- = The PDE is not reporting these data to guard against improper statistical comparisons due to small group sizes, and to protect the confidentiality of those students with disabilities who comprise this category.

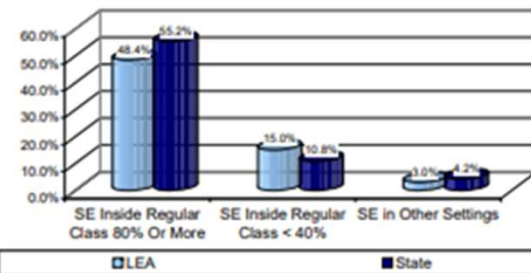
Enrollment (School Age)

Source: December 1, 2008 Child Count

	District	State
Total Enrollment *	11,073	1,787,351
Total Special Ed Enrollment	1,791	271,309
Percent of Special Ed Enrollment by Disability	16.2%	15.2%
Autism	8.3%	5.3%
Deaf-Blindness	---	0.0%
Emotional Disturbance	6.6%	9.2%
Hearing Impairment Including Deafness	0.9%	1.0%
Mental Retardation	3.0%	8.1%
Multiple Disabilities	1.1%	1.0%
Orthopedic Impairment	---	0.3%
Other Health Impairment	8.5%	7.0%
Specific Learning Disability	50.3%	51.0%
Speech or Language Impairment	20.5%	16.3%
Traumatic Brain Injury	---	0.3%
Visual Impairment Including Blindness	---	0.4%

Educational Environments (Ages 6-21)

Source: December 1, 2008 Child Count



Race/Ethnicity (School Age)

Source: December 1, 2008 Child Count

	Spec ED	*District
American Indian/Alaska Native	---	0.1%
Asian/Pacific Islander	2.6%	6.3%
Black (Non-Hispanic)	6.8%	5.7%
Hispanic	4.1%	3.5%
White (Non-Hispanic)	86.2%	83.9%



* = Data from the Enrollment File for the 2008-2009 School Year, Provided by the Pennsylvania Department of Education, Division of Data Services

Posted: February, 2009 by the Pennsylvania State Data Center

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2018-19: 18.9% Special Education



Special Education Data Report School Year 2018-2019

Pennsbury SD

Where this symbol (---) appears, the PDE is not displaying these data on this report to guard against improper statistical comparisons due to small group sizes (n=10 or less), and to protect the confidentiality of those students with disabilities who comprise this category.

Enrollment (School Age)

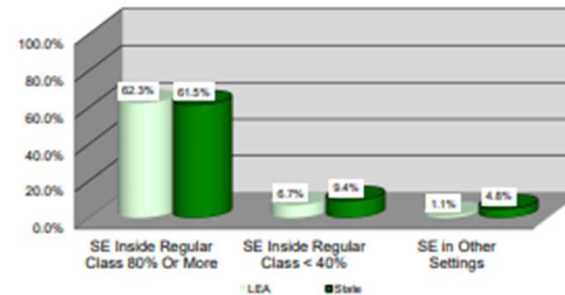
Source: December 1, 2018 Child Count

	LEA	State
Total Enrollment ^	10,345	1,723,405
Total Special Education Enrollment	1,960	297,644
Percent Special Education	18.9%	17.3%
Percent of Special Education Enrollment by Disability		
Autism	14.0%	11.3%
Deaf-Blindness	---	0.0%
Emotional Disturbance	8.9%	8.5%
Hearing Impairment Including Deafness	---	0.9%
Intellectual Disability (Mental Retardation)	3.2%	6.3%
Multiple Disabilities	---	1.0%
Orthopedic Impairment	---	0.2%
Other Health Impairment	18.6%	16.4%
Specific Learning Disability	41.1%	40.6%
Speech or Language Impairment	13.2%	14.3%
Traumatic Brain Injury	---	0.2%
Visual Impairment Including Blindness	---	0.4%

* Total Enrollment, for Special Education reporting purposes, includes all students enrolled in an LEA regardless of the location where a student is receiving services.

Educational Environments (Ages 6-21)

Source: December 1, 2018 Child Count



Race/Ethnicity (School Age)

Source: December 1, 2018 Child Count

	Spec ED	LEA
American Indian/Alaska Native	---	---
Asian	2.7%	6.3%
Black or African American	8.8%	6.1%
Hispanic	6.1%	5.7%
Multiracial	6.6%	5.6%
Native Hawaiian/Other Pacific Islander	---	---
White	75.5%	76.1%

Posted: June 2019 by the Pennsylvania State Data Center

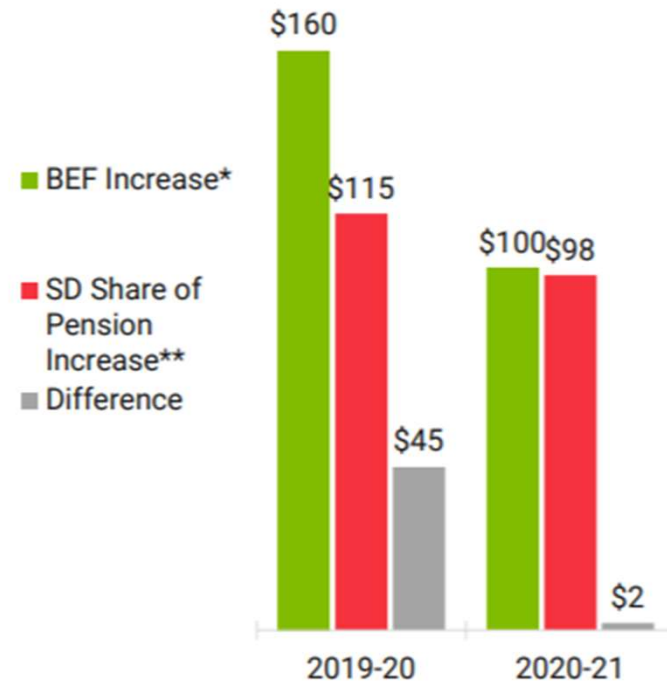
Page 1 of 1

Statewide Challenge: Governor's Budget Proposal

BEF Increases vs Local Pension Increases 25

2019-20 was the first year which BEF increases were estimated to be more than increase in local share of pension costs...2020-21 should be the same

	2020-21 Increase
Basic Education	\$100,000,000
Estimated Local Share of Pension Increase	\$98,000,000
Net Change	\$2,000,000



* BEF amounts and increases based on actual/available budget line item looking back at the prior year.

** Estimates based on increase in state share of pension costs.



Statewide Challenge: Governor's Charter Proposal

Governor's Charter Reform Proposal

30

Funding reforms

1. Establish a flat statewide cyber charter school tuition rate of \$9,500
2. Apply the special education funding formula recommendations to charter schools
3. Legislates using actual expenditures in tuition rate calculations instead of budgeted
4. Expands list of expenses that can be deducted from tuition calculation
 - Federal funds
 - Payments to charter schools
 - Grants/Gifts to school district
 - And more

Budget proposal includes estimated savings from charter reform

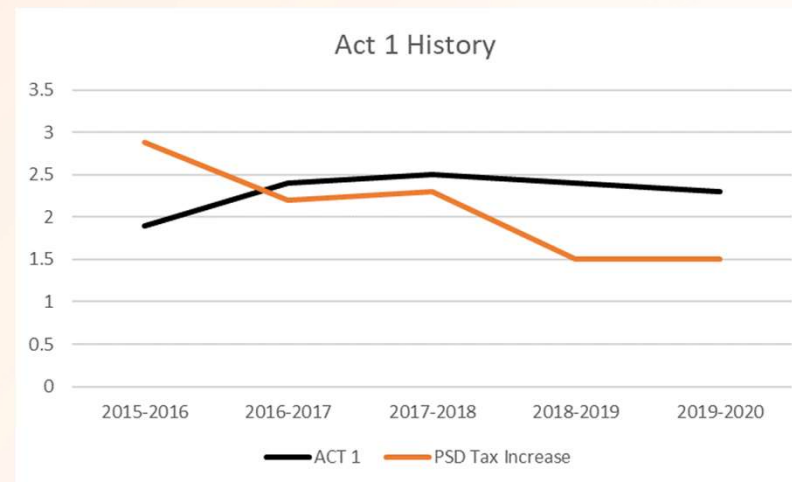
Proposal	Est. Savings
Statewide cyber tuition rate	\$133 million
Special education formula	\$147 million
TOTAL	\$280 million



Act 1 Budget Resolution

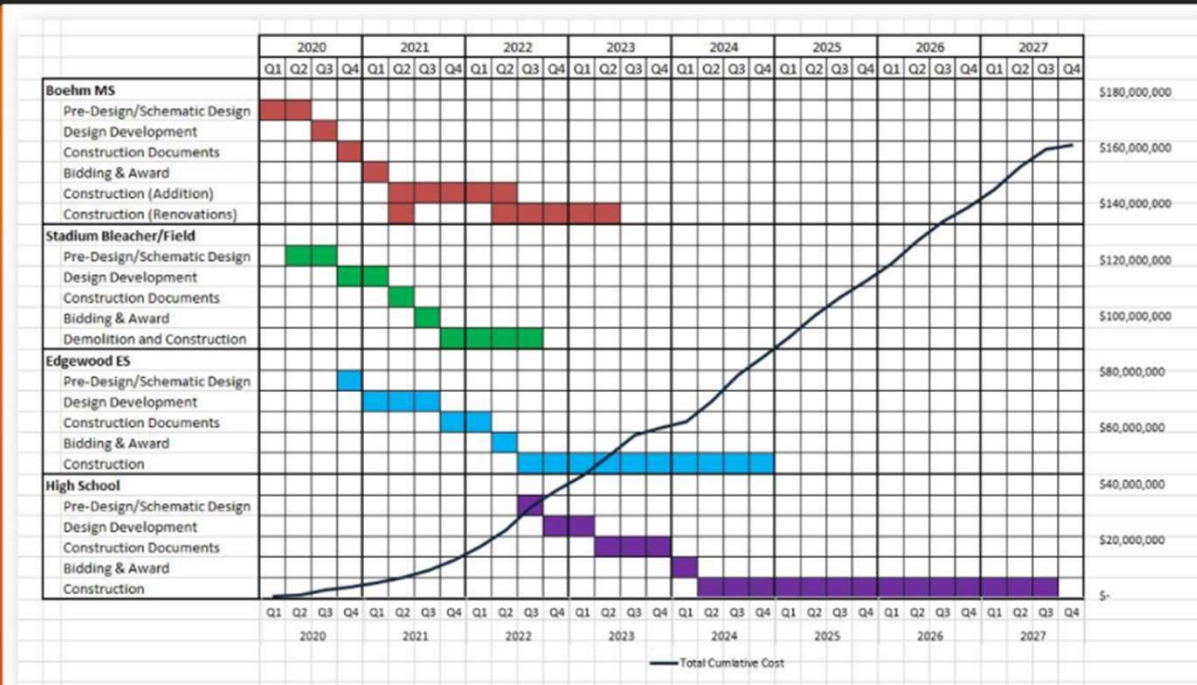
Relevant facts:

- 2020-21 index is 2.6%.
- Pennsbury adopted a resolution indicating it would not seek an exception.
- This will be the fifth year in a row that Pennsbury did not raise to the index.



Pre-COVID-19 Proposed Capital Projects

Pre-Design Planning Services Budget Validation



Pre-COVID-19 Debt Service to Fund Capital Projects

PENNSBURY SCHOOL DISTRICT NEW MONEY FINANCING PLAN										ESTIMATED - FOR ILLUSTRATIVE PURPOSES ONLY									
NEW MONEY SCENARIO - \$181,088,722 TOTAL PROJECT FUND DEPOSIT																			
PENNSBURY SCHOOL DISTRICT		1	2	3	4	5	6	7	8	9									
		Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Total									
Par Amount	\$6,925,000	\$15,590,000	\$24,140,000	\$18,765,000	\$27,550,000	\$23,510,000	\$23,510,000	\$10,285,000	\$150,275,000										
Project Fund Dep.	\$8,196,038	\$18,767,089	\$29,146,003	\$22,603,021	\$33,289,985	\$28,379,575	\$28,379,575	\$12,327,435	\$181,088,721										
Settlement Date	10/1/2020	7/1/2021	7/1/2022	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027											
Structure	Wrap	Wrap	Wrap	Wrap	Wrap	Wrap	Wrap	Wrap	Wrap										

Fiscal Year Ending	Existing New Debt Service	Estimated New Debt Serv.	Estimated New Debt Serv.	Estimated New Debt Serv.	Estimated New Debt Serv.	Estimated New Debt Serv.	Estimated New Debt Serv.	Estimated New Debt Serv.	Estimated New Debt Serv.	Estimated New Debt Serv.	Estimated New Debt Serv.*
6/30/2020	15,133,966										15,133,966
6/30/2021	15,287,907	115,105									15,403,012
6/30/2022	15,461,534	350,268	454,163								16,265,965
6/30/2023	15,668,958	350,173	783,518	703,538							17,506,187
6/30/2024	15,728,186	350,080	783,423	1,211,018	546,767						18,619,474
6/30/2025	15,319,421	349,986	783,330	1,210,923	942,268	802,997					19,408,924
6/30/2026	15,463,061	349,892	783,236	1,210,830	942,173	1,381,518	685,163				20,815,872
6/30/2027	13,800,581	349,797	783,142	1,210,736	942,080	1,381,423	1,179,518	685,163			20,332,439
6/30/2028	13,804,578	349,625	783,047	1,210,642	941,986	1,381,330	1,179,423	1,179,518	299,434		21,120,581
6/30/2029	13,799,210	349,375	782,875	1,210,547	941,892	1,381,236	1,179,330	1,179,423	518,268		21,342,155
6/30/2030	13,811,341	349,125	782,625	1,210,375	941,797	1,381,142	1,179,236	1,179,330	518,173		21,353,143
6/30/2031	10,191,523	812,000	1,723,250	2,521,500	1,848,375	1,381,047	1,179,142	1,179,236	518,080		21,354,151
6/30/2032	10,188,649	812,375	1,723,500	2,522,250	1,850,375	1,380,875	1,179,047	1,179,142	517,986		21,354,198
6/30/2033	8,940,744	811,500	1,726,125	2,519,500	1,864,500	2,618,875	1,178,875	1,179,047	517,892		21,357,058
6/30/2034	7,959,456	814,250	1,721,125	2,523,000	1,860,750	2,906,125	1,875,750	1,178,875	517,797		21,357,129
6/30/2035	7,025,850	810,625	1,723,375	2,522,500	1,864,250	2,907,250	2,522,250	1,300,500	517,625		21,194,225
6/30/2036	4,795,600	815,500	1,722,625	2,522,875	1,864,750	2,909,000	2,519,500	2,585,875	639,250		20,374,975
6/30/2037	3,394,425	813,750	1,723,750	2,519,000	1,862,250	2,906,250	2,523,000	2,586,250	1,120,250		19,448,925
6/30/2038		815,375	1,721,625	2,520,625	1,861,625	2,908,750	2,522,500	2,587,750	1,122,875		16,061,125
6/30/2039		810,375	1,721,125	2,522,375	1,862,625	2,906,250	2,522,875	2,585,250	1,123,750		16,054,625
6/30/2040		813,625	1,722,000	2,519,125	1,865,000	2,908,500	2,519,000	2,588,500	1,122,875		16,058,625
6/30/2041		814,875	1,724,000	2,520,625	1,863,625	2,910,125	2,520,625	2,587,250	1,120,250		16,061,375
6/30/2042			1,722,000	2,521,500	1,863,375	2,906,000	2,522,375	2,586,375	1,120,750		15,242,375
6/30/2043				2,521,500	1,864,000	2,905,875	2,519,125	2,585,625	1,119,250		13,515,375
6/30/2044					1,860,375	2,909,250	2,520,625	2,584,750	1,120,625		10,995,625
6/30/2045						2,905,875	2,521,500	2,588,375	1,119,750		9,135,500
6/30/2046							2,521,500	2,586,250	1,121,500		6,229,250
6/30/2047								2,588,125	1,120,750		3,708,875
6/30/2048									1,122,375		1,122,375
TOTAL	215,774,990	12,207,675	27,393,858	41,954,983	32,254,837	47,979,691	41,076,358	41,286,608	18,019,504		477,936,504

*Assumes estimated interest rates. Actual rates would be determined at time of pricing.
**Assumes no state reimbursement

Four Steps to Realign Capital Dollars to Capital Needs

PENNSBURY SCHOOL DISTRICT							4/1/2020	
Aligning Capital Resources to Capital Expenditures								
STEP ONE: Identify available resources								
Assumptions as of 3/31							Balance	
Fund 31 balance, net of open encumbrances							340,332.98	
Fund 49 balance, net of open encumbrances							3,938,905.31	
Total							4,279,238.29	
STEP TWO: Reallocate 2019-20 expenditures to align resources								
Organization/Account							Expenditure	Notes
31	4600	725	470	20	70	431	(971,195.71)	Reclass to fund 49 to spend down 2017A bond issue
31	4600	725	470	20	75	431	(92,169.00)	Reclass to fund 49 to spend down 2017A bond issue
49	4600	725	470	20	70	431	971,195.71	Reclass to fund 49 to spend down 2017A bond issue
49	4600	725	470	20	75	431	92,169.00	Reclass to fund 49 to spend down 2017A bond issue
Total							-	
STEP THREE: Review available resources after reallocation in STEP TWO								
Assumptions as of 4/1							Balance	
Fund 31 balance, net of open encumbrances, after journal entry							1,403,697.69	
Fund 49 balance, net of open encumbrances, after journal entry							2,875,540.60	
Total							4,279,238.29	
STEP FOUR: Allocate resources for 2020-21 budget development								
Plan for 2020-21							Amount	Notes
Fund 31 allocated for the purchase of school buses							950,000.00	School buses are municipal code permitted for fund 31
Fund 31 allocated for \$1.5 million capital work various buildings							453,697.69	See also Mike Dumin's presentation to Facilities Committee
Total							1,403,697.69	
Fund 49 allocated for \$1.5 million capital work various buildings							1,046,302.31	See also Mike Dumin's presentation to Facilities Committee
Fund 49 allocated for ADA at Administration, water at VPA							1,829,238.29	Final pricing to be determined by bids
Total							2,875,540.60	
Analysis:								
Using existing resources, the district can provide some relief on the 2020-21 General Fund budget, complete the envisioned minor capital work for 2020-21, and fund the ADA improvements for the Administration building and the water project at Village Park.								

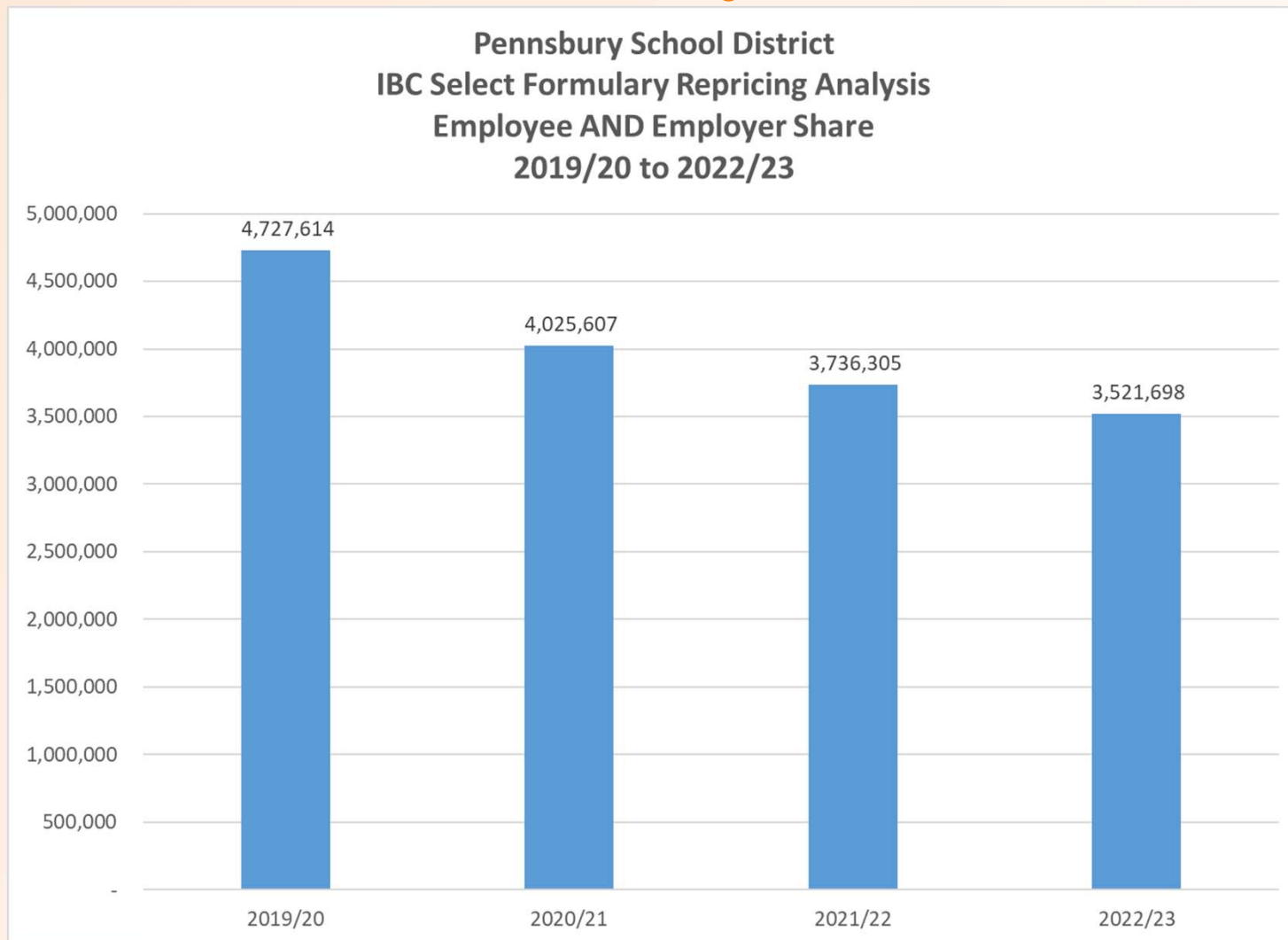
Health Care Strategy 2020-21

- We explored the following:
 - Pooled self-insurance (Delaware Valley Health Insurance Trust) vs. stand-alone self-insurance.
 - Alternative pharmacy benefit manager (e.g., Capital) and formulary (e.g., select versus premium).
 - Stop-loss coverage deductible level.
- Staying self-insured with IBC as the platform is the least disruptive.

Cost Reduction: Stop-Loss Insurance

PENNSBURY SCHOOL DISTRICT					3/24/2020
ANALYSIS OF STOP LOSS INSURANCE					
This analysis takes the 19/20 policy and three deductible scenarios for 20/21 and captures the theoretical value of the policy had it been in place over the last three fiscal years.					
			Performance applying prior year claims to this structure		
2019-20 Policy \$175K		2016-17	2017-18	2018-19	Average
Deductible Level	175,000				
Aggregate Specific Corridor	100,000				
Policy Cost	1,471,264				
Reimbursement if was in force		1,130,031.47	344,132.51	510,945.28	
Theoretical net if was in force		(341,232.13)	(1,127,131.09)	(960,318.32)	(809,560.51)
2020-21 Scenario \$250K					
Deductible Level	250,000				
Aggregate Specific Corridor	100,000				
Policy Cost	1,121,232				
Reimbursement if was in force		832,066.82	78,227.25	388,281.30	
Theoretical net if was in force		(289,165.66)	(1,043,005.23)	(732,951.18)	(688,374.02)
2020-21 Scenario \$300K					
Deductible Level	300,000				
Aggregate Specific Corridor	100,000				
Policy Cost	860,763				
Reimbursement if was in force		682,066.82	-	248,745.50	
Theoretical net if was in force		(178,696.54)	(860,763.36)	(612,017.86)	(550,492.59)

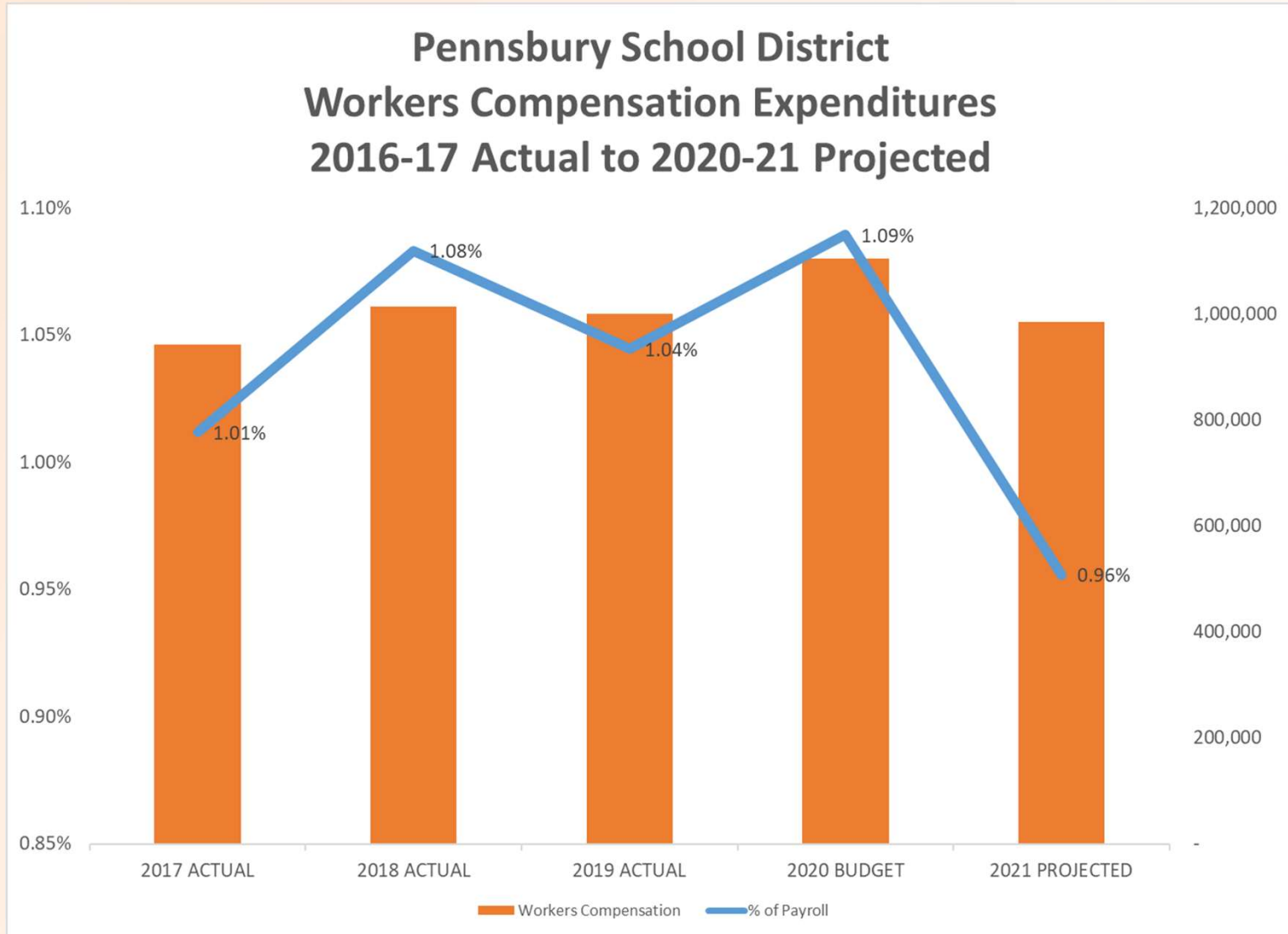
Cost Reduction: Pharmacy Plan



Collective health care strategy 1.17% savings over projected 2019-20

Coverage	Medical		Pharmacy	
Scenario	2019-20	IBC, New 4-Yr.	2019-20	IBC, New 4-Yr. Select
Projected EE and ER Cost	14,119,905	\$14,781,078	4,727,614	4,025,607
One-Time Admin Fee Holiday		(210,813)		
Projected Net Cost	14,119,905	14,570,265	4,727,614	4,025,607
Add Stop Loss Coverage				
	Stop-Loss			
Scenario	2019-20	\$250K	\$300K	
Projected EE and ER Cost	1,506,166	1,121,232	860,763	
One-Time Admin Fee Holiday				
Reimbursement Projected (1)	(661,703)	(432,858)	(310,271)	
Projected Net Cost	844,463	688,374	550,493	
The Big Picture				
	Amount PSD Budget 2019-20 2/26	IBC 2019-20	IBC, New 4-Yr. Select	
Medical + PBM + Stop-Loss	16,698,454	19,691,982	19,146,364	
Less EE Share Current		(2,503,136)	(2,433,781)	
Less COBRA @ Projected		(864,549)	(840,594)	
Allowance for Decreased Cost Share (2)			200,000	
Add Dental @ 8%		666,261	719,562	
One-time adjustment to 0181.03/0491.03 (3)	480,835			
Total Insurance Program	17,179,289	16,990,557	16,791,551	
Increase over 2019-20 Budget \$		(188,731)	(387,738)	
Increase over 2019-20 Budget %		-1.10%	-2.26%	
Increase over 2019-20 Projected \$			(199,006)	
Increase over 2019-20 Projected %			-1.17%	

Workers Compensation rate declined



Future Steps: Potential 2020 Bond Refunding

PENNSBURY SCHOOL DISTRICT
SUMMARY OF POTENTIAL REFUNDING SCENARIOS ESTIMATED - FOR
ILLUSTRATIVE PURPOSES ONLY

	1	2			TOTAL
	SCENARIO 1: SINGLE NON-BQ REFUNDING	SCENARIO 2: THREE SEPARATE BQ REFUNDINGS			
Refunds	The Series of 2015, 2015A, and 2015B	Series of 2015	Series A of 2015	Series B of 2015	-
Principal	\$23,555,000	\$9,995,000	\$9,210,000	\$7,550,000	\$26,755,000
Estimated Sale Date	September 30, 2020	September 30, 2020	October 19, 2020	November 4, 2020	-
Estimated Settlement Date	November 4, 2020	November 4, 2020	November 23, 2020	December 9, 2020	-
Estimated Call Date	February 1, 2028	February 1, 2026	February 1, 2026	February 1, 2026	-
Net Refunding Savings	\$1,318,387	\$350,645	\$438,879	\$679,112	\$1,468,636

Fiscal Year Ending	Existing Local Effort	Refunding Savings [1]	New Local Effort	Series of 2015 Refunding Savings [1]	Series A of 2015 Refunding Savings [1]	Series B of 2015 Refunding Savings [1]	Total Refunding Savings	New Local Effort
6/30/2020	14,037,931		14,037,931					14,037,931
6/30/2021	14,157,711	122,165	14,035,546	35,438	45,873	60,378	141,688	14,016,022
6/30/2022	14,145,484	122,790	14,022,695	34,134	45,371	62,356	141,860	14,003,624
6/30/2023	13,837,586	118,448	13,719,138	34,687	45,894	60,708	141,289	13,696,296
6/30/2024	13,871,092	118,881	13,752,211	35,242	41,741	63,428	140,411	13,730,681
6/30/2025	14,457,145	118,623	14,338,522	35,798	42,319	60,382	138,500	14,318,646
6/30/2026	14,583,988	118,243	14,465,745	36,357	42,626	61,590	140,572	14,443,416
6/30/2027	13,101,713	120,233	12,981,480	35,629	45,708	62,309	143,645	12,958,068
6/30/2028	13,105,676	122,857	12,982,820	32,088	41,212	62,509	135,809	12,969,867
6/30/2029	13,100,559	119,050	12,981,509	34,768	45,406	62,386	142,559	12,957,999
6/30/2030	13,112,392	118,692	12,993,700	36,505	42,729	61,923	141,157	12,971,235
6/30/2031	9,833,828	118,406	9,715,422			61,145	61,145	9,772,683
6/30/2032	9,778,340		9,778,340					9,778,340
6/30/2033	8,636,182		8,636,182					8,636,182
6/30/2034	7,706,832		7,706,832					7,706,832
6/30/2035	6,720,707		6,720,707					6,720,707
6/30/2036	4,525,923		4,525,923					4,525,923
6/30/2037	3,203,542		3,203,542					3,203,542
6/30/2038								
6/30/2039								
TOTAL	201,916,632	1,318,387	200,598,244	350,645	438,879	679,112	1,468,636	200,447,996

[1] Assumes current interest rates as of January 29, 2020 with an additional 25bps added to the spread. Actual rates will vary depending on market conditions at time of pricing.

Future Steps: Potential 2022 Bond Refunding

PENNSBURY SCHOOL DISTRICT SERIES OF 2012 REFINANCING OPTIONS				ESTIMATED - FOR ILLUSTRATIVE PURPOSES ONLY					
		1			2				
		SCENARIO 1: ADVANCE REFUNDING THE SERIES OF 2012			SCENARIO 2: CURRENT REFUNDING THE SERIES OF 2012				
<i>Tax Status</i>		Taxable			Tax-Exempt				
<i>Principal</i>		\$21,820,000			\$19,120,000				
<i>Estimated Settlement Date</i>		April, 2020			May, 2022				
<i>Net Refunding Savings</i>		\$651,100			\$1,496,442				
The breakeven spread is approximately + 140bps									
		3	4	5	6	7	8	9	10
Fiscal Year Ending	Existing Local Effort	Refunding Local Effort	Refunding Savings	New Local Effort	Refunding Local Effort	Refunding Savings	New Local Effort		
6/30/2020	14,037,931			14,037,931			14,037,931		
6/30/2021	14,157,711	925,641	1	14,157,710			14,157,710		
6/30/2022	14,145,484	925,429	213	14,145,272			14,145,484		
6/30/2023	13,837,588	924,805	838	13,838,749	924,145	1,497	13,838,089		
6/30/2024	13,871,092	923,740	1,902	13,869,190	919,607	6,035	13,865,057		
6/30/2025	14,457,145	9,402,482	322,372	14,134,774	8,980,106	744,748	13,712,398		
6/30/2026	14,583,988	9,399,428	325,776	14,258,212	8,981,042	744,183	13,839,828		
6/30/2027	13,101,713			13,101,713			13,101,713		
6/30/2028	13,105,676			13,105,676			13,105,676		
6/30/2029	13,100,559			13,100,559			13,100,559		
6/30/2030	13,112,392			13,112,392			13,112,392		
6/30/2031	9,833,828			9,833,828			9,833,828		
6/30/2032	9,778,340			9,778,340			9,778,340		
6/30/2033	8,638,182			8,638,182			8,638,182		
6/30/2034	7,706,832			7,706,832			7,706,832		
6/30/2035	6,720,707			6,720,707			6,720,707		
6/30/2036	4,525,923			4,525,923			4,525,923		
6/30/2037	3,203,542			3,203,542			3,203,542		
6/30/2038									
6/30/2039									
TOTAL		22,501,525	651,100	201,265,531	19,804,900	1,496,442	200,420,190		

⁽¹⁾ For these purposes the rates assume a current market scale from RBC Capital Markets plus a spread of 25bps. Actual rates will vary depending on market conditions at time of pricing.

About Fund Balance

- Fund balance is the net position of the General Fund.
- Government Finance Officers Association recommends unassigned fund balance equal to two months of operating expenses.
- PSD Board policy requires a minimum of 5%. All scenarios are built to maintain 5% as a constraint.

Four Scenarios for 2020-21

■ Scenario A:

- 1.9% millage increase for 2020-21, then growing to 2.1%, then tailing off.
- Funds \$181.1 million in new bonds, with Boehm construction starting by July 2021.
- This is the scenario that most likely generates PlanCon reimbursement on the Boehm project without significant delay, if PlanCon is funded.
- This is a Pre-COVID-19 worldview.

Four Scenarios for 2020-21

■ Scenario B:

- 1.8% millage increase for 2020-21, then growing to 2.0% for 2021-22 and beyond.
- Funds \$181.1 million in new bonds, albeit on a **one year lag start**.
- Slowly draws fund balance towards 5% of expenditures, which limits long term flexibility.
- This was the scenario built out in *eFinance*, and it too is pre-COVID.

Scenario B Expenditures

PENNSBURY SCHOOL DISTRICT 2020-2021 PROPOSED BUDGET						
SUMMARY OF EXPENDITURES & OTHER FINANCING USES BY OBJECT						
EXPENDITURES (BY OBJECT):	ACTUAL EXPENDITURES 2017-2018	ACTUAL EXPENDITURES 2018-2019	APPROVED BUDGET 2019-2020	PROPOSED BUDGET 2020-2021	BUDGET % INCREASE/ (DECREASE)	
Salaries (a)	\$93,652,794	\$95,751,224	\$101,365,490	\$102,749,168	1.4%	
Benefits (b)	56,052,715	58,529,859	61,136,969	62,060,130	1.5%	
Professional Services (c)	8,472,943	8,021,907	8,224,261	9,064,722	10.2%	
Property Services (d)	2,429,159	2,803,081	3,119,006	2,955,106	-5.3%	
Other Services (e)	16,771,337	17,528,582	15,481,587	17,068,430	10.2%	
Supplies (f)	6,705,340	7,025,321	7,390,867	7,617,504	3.1%	
Property (g)	981,459	1,491,856	1,713,516	845,122	-50.7%	
Other Objects (h)	6,669,766	6,544,222	9,037,666	6,455,858	-28.6%	
Other Uses of Funds (i)	9,663,716	11,461,722	9,250,000	9,147,835	-1.1%	
Total Expenditures by Object	\$201,399,228	\$209,157,774	\$216,719,362	\$217,963,875	0.6%	

Four Scenarios for 2020-21

■ Scenario C:

- 1.40% millage increase for 2020-21, then reaching 2.00% before tapering off.
- Average tax increase of 1.91% over 10 years funds \$135.8 million new bonds, or roughly 75% of the Facilities 10-year plan scope. All projects shrink.
- Potential choices to trim capital work could include, but not be limited to, eliminating turf field at the stadium.

Scenario C: 1.40% RET Increase

Pennsbury School District												4/22/2020
Multiyear Financial Projection												
Scenario C: Delay one years, borrow \$135 million over 8 years - 75% of D'Huy estimate, plus 75% of \$1.5 million per year for various minor capital projects (this does not yet include a central bus facility or Fallsington Elementary)												
Line	Revenues	19/20 Projected	20/21 Proj.	21/22 Proj.	22/23 Proj.	23/24 Proj.	24/25 Proj.	25/26 Proj.	26/27 Proj.	27/28 Proj.	28/29 Proj.	29/30 Proj.
1	Real Estate Base (adj. for 170 v 171)	148,758,138	148,758,138	151,372,562	153,459,611	157,038,769	161,301,783	165,680,521	170,178,126	174,883,551	179,719,082	184,688,315
2	Assessed Value Growth		1,115,686	567,647	575,474	1,177,791	1,209,763	1,242,604	1,276,336	1,311,627	1,347,893	1,385,162
3				24 Months Flatter								
4	Millage Increase \$		1,498,738	1,519,402	3,003,684	3,085,223	3,168,975	3,255,001	3,429,089	3,523,904	3,621,340	3,721,470
5	Millage Increase (%)	170.06	1.00%	1.00%	1.95%	1.95%	1.95%	1.95%	2.00%	2.00%	2.00%	2.00%
6	Other Local Sources	10,582,001	10,999,694	11,022,485	11,067,540	11,113,818	11,161,353	11,210,178	11,261,614	11,314,473	11,368,793	11,424,615
7	Other drag COVID		(220,042)	(220,042)								
8	Interest rate drag COVID		(950,000)	(950,000)								
9	State (except PSERS and FICA)	31,467,460	31,332,438	30,577,886	30,807,790	31,442,430	32,090,144	32,751,201	33,425,876	34,114,449	34,817,207	35,534,441
10	State budget drag COVID		(1,400,000)	(400,000)								
11	PSERS and FICA	21,322,739	21,659,525	22,341,308	22,171,766	22,465,127	22,769,992	24,322,305	25,109,882	25,821,428	26,446,481	27,090,676
12	New PlanCon, 2 year lag			Slightly better than warm, safe, dry scenario not assumed to generate PlanCon reimbursement								
13	Federal	2,587,160	2,223,022	2,223,022	2,223,022	2,223,022	2,223,022	2,223,022	2,223,022	2,223,022	2,223,022	2,223,022
14												
15	Total Sources	214,717,498	215,017,199	218,054,270	223,308,887	228,546,180	233,925,032	240,684,832	246,903,945	253,192,454	259,543,818	266,067,701
16												
17												
18	Expenditures	19/20 Projected	20/21 Proj.	21/22 Proj.	22/23 Proj.	23/24 Proj.	24/25 Proj.	25/26 Proj.	26/27 Proj.	27/28 Proj.	28/29 Proj.	29/30 Proj.
20	Wages and Benefits	163,669,373	164,809,298	167,050,320	167,630,481	171,188,165	174,865,255	181,136,876	185,982,018	190,781,565	195,518,179	200,406,855
21				EXTREMELY modest settlements								
26	Placeholder PSERS COVID Tail			1,000,000	750,000	500,000	250,000					
27	IU Reconciliation 18/19		1,119,737	1,136,533	1,153,581	1,170,885	1,188,448	1,206,275	1,224,369	1,242,735	1,261,376	1,280,297
28	Everything Except Debt Service	36,329,012	37,828,990	38,396,425	37,449,871	38,519,119	39,350,656	39,940,916	40,540,030	41,401,880	42,276,658	43,164,558
29	Short term savings placeholder	(1,000,000)										
30	Reduce/restore to meet 5% test			(1,500,000)	500,000	250,000			250,000	250,000	250,000	
31	Debt Service	15,133,966	15,278,015	15,536,691	16,258,168	17,094,771	17,903,456	18,810,891	17,830,769	18,721,815	19,314,279	19,490,041
32				Pennsbury only approves modest level rehabilitation of Boehm, stadium, Edgewood, and Pennsbury High School								
33	Refunding Series 2022 (2012 Bonds)				(1,497)	(6,035)	(744,748)	(744,163)				
34	Refunding Series 2020 (15,15A,15B)		(122,165)	(122,790)	(118,448)	(118,881)	(118,623)	(118,243)	(120,233)	(122,857)	(119,050)	(118,692)
35	Fund 20/21 buses w/Fund 31		(950,000)									
36	Contingency											
37	Placeholder future BCTHS bond			320,000	320,000	320,000	320,000	320,000	320,000	320,000	320,000	320,000
38				Pennsbury only approves "warm, safe, dry" level rehabilitation of Bucks County Technical High School								
39	Transfer to Debt Service Fund	2,500,000		(1,762,909)	(333,269)	(403,822)						
40	Transfer to Capital Reserve Fund										500,000	1,000,000
41	Total Uses	216,632,351	217,963,875	220,054,270	223,608,887	228,514,202	233,014,444	240,552,552	246,026,953	252,595,138	259,321,442	265,543,059
42												
43	Assume 50% Returned											
44	Gap	(1,914,853)	(2,946,676)	(2,000,000)	(300,000)	31,978	910,588	132,280	876,992	597,316	222,376	524,642
45	Fund Balance	17,163,529	14,216,853	12,216,853	11,916,853	11,948,831	12,859,419	12,991,699	13,868,691	14,466,007	14,688,383	15,213,025
46	FB % Expenditures	7.92%	6.52%	5.55%	5.33%	5.23%	5.52%	5.40%	5.64%	5.73%	5.66%	5.73%

The Business Case for 1.40%

■ Scenario C:

- Lower millage increase initially and across 10 years, while still completing meaningful capital work.
- The 1.40% in year one addresses legacy issues while striking a balance in a difficult economic turn of events.
- Even lower levels of millage increase are hard to achieve when contractual obligations were built to Act 1 tolerances.

Four Scenarios for 2020-21

■ Scenario D:

- 0.0% millage increase for 2020-21, then reaching 2.0%.
- Average tax increase of 1.68% over 10 years funds \$90 million new bonds, or roughly 50% of the Facilities 10-year plan scope. **All projects shrink to “warm, safe, dry” proportions.**
- Potential choices to trim capital work could include approaching projects through guaranteed energy savings contracts.

Scenario D: 0.0% RET Increase

Pennsbury School District												4/22/2020
Multiyear Financial Projection												
Getting to Zero: Delay two years, borrow \$90 million over 8 years - 50% of D'Huy estimate, plus 50% of \$1.5 million per year for various minor capital projects (this does not yet include a central bus facility or Fallsington Elementary)												
Line	Revenues	19/20 Projected	20/21 Proj.	21/22 Proj.	22/23 Proj.	23/24 Proj.	24/25 Proj.	25/26 Proj.	26/27 Proj.	27/28 Proj.	28/29 Proj.	29/30 Proj.
1	Real Estate Base (adj. for 170 v 171)	148,758,138	148,758,138	149,873,824	151,940,210	155,407,676	159,548,125	163,798,886	168,245,412	172,812,644	177,503,859	182,322,423
2	Assessed Value Growth		1,115,686	562,027	569,776	1,165,558	1,196,611	1,228,492	1,261,841	1,296,095	1,331,279	1,367,418
3				24 Months Flatter								
4	Millage Increase \$		-	1,504,359	2,897,690	2,974,891	3,054,150	3,218,034	3,305,391	3,395,120	3,487,285	3,581,952
5	Millage Increase (%)	170.06	0.00%	1.00%	1.90%	1.90%	1.90%	1.95%	1.95%	1.95%	1.95%	1.95%
6	Other Local Sources	10,582,001	10,999,695	11,022,260	11,065,725	11,110,348	11,156,160	11,204,431	11,254,012	11,304,939	11,357,248	11,410,977
7	Other drag COVID		(220,042)	(220,042)								
8	Interest rate drag COVID		(950,000)	(950,000)								
9	State (except PSERS and FICA)	31,467,460	31,332,438	30,577,886	30,807,790	31,442,430	32,090,144	32,751,201	33,425,876	34,114,449	34,817,207	35,534,441
10	State budget drag COVID		(1,400,000)	(400,000)								
11	PSERS and FICA	21,322,739	21,659,525	22,313,951	22,116,971	22,408,825	22,712,143	24,259,683	25,044,734	25,753,930	26,376,837	27,018,819
12	New PlanCon, 2 year lag			Warm, safe, dry scenario not assumed to generate PlanCon reimbursement								
13	Federal	2,587,160	2,223,022	2,223,022	2,223,022	2,223,022	2,223,022	2,223,022	2,223,022	2,223,022	2,223,022	2,223,022
14												
15	Total Sources	214,717,498	213,518,462	216,507,287	221,621,184	226,732,750	231,980,355	238,683,749	244,760,288	250,900,199	257,096,737	263,459,052
16												
17												
18	Expenditures	19/20 Projected	20/21 Proj.	21/22 Proj.	22/23 Proj.	23/24 Proj.	24/25 Proj.	25/26 Proj.	26/27 Proj.	27/28 Proj.	28/29 Proj.	29/30 Proj.
20	Wages and Benefits	163,669,373	164,809,298	166,876,995	167,283,317	170,831,454	174,498,735	180,753,914	185,586,917	190,374,480	195,099,322	199,975,883
21				No NEW contractual increases								
26	Placeholder PSERS COVID Tail			1,000,000	750,000	500,000	250,000					
27	IU Reconciliation 18/19		1,119,737	1,136,533	1,153,581	1,170,885	1,188,448	1,206,275	1,224,369	1,242,735	1,261,376	1,280,297
28	Everything Except Debt Service	36,329,012	37,828,990	38,396,425	37,703,621	37,507,925	38,578,044	39,664,215	40,766,678	41,885,678	42,513,963	43,151,672
29	Short term savings placeholder	(1,000,000)										
30	Reduce/restore to meet 5% test			(1,250,000)	(750,000)	500,000	500,000	500,000	500,000			
31	Debt Service	15,133,966	15,278,015	15,450,441	15,711,918	16,117,271	16,652,206	17,194,641	15,860,769	16,499,315	17,085,529	17,493,791
32				Pennsbury only approves "warm, safe, dry" level rehabilitation of Boehm, stadium, Edgewood, and Pennsbury High School								
33	Refunding Series 2022 (2012 Bonds)				(1,497)	(6,035)	(744,748)	(744,163)				
34	Refunding Series 2020 (15,15A,15B)		(122,165)	(122,790)	(118,448)	(118,881)	(118,623)	(118,243)	(120,233)	(122,857)	(119,050)	(118,692)
35	Fund 20/21 buses w/Fund 31		(950,000)									
36	Contingency			-	-	-	-	-	-	-	-	-
37	Placeholder future BCTHS bond			320,000	320,000	320,000	320,000	320,000	320,000	320,000	320,000	320,000
38				Pennsbury only approves "warm, safe, dry" level rehabilitation of Bucks County Technical High School								
39	Transfer to Debt Service Fund	2,500,000		(2,500,000)								
40	Transfer to Capital Reserve Fund										500,000	1,000,000
41	Total Uses	216,632,351	217,963,875	218,307,604	221,302,492	226,322,619	230,874,062	238,776,639	244,138,500	250,199,351	256,661,140	263,102,951
42												
43	Assume 50% Returned											
44	Gap	(1,914,853)	(4,445,413)	(1,800,317)	318,692	410,131	1,106,293	(92,890)	621,788	700,848	435,597	356,101
45	Fund Balance	17,163,529	12,718,116	10,917,799	11,236,491	11,646,622	12,752,915	12,660,025	13,281,813	13,982,661	14,418,258	14,774,359
46	FB % Expenditures	7.92%	5.83%	5.00%	5.08%	5.15%	5.52%	5.30%	5.44%	5.59%	5.62%	5.62%

The Business Case for 0.0%

■ Scenario D:

- Zero millage increase in year one acknowledges difficult economic turn of events. One percent in year two acknowledges time for economy to heal.
- The 10-year impact of this framework is real, creating difficult labor negotiations and less than satisfying capital projects.
- Projects later in the 10-year sequence could be evaluated for more robust scope once the economy rebounds.

Budget Timeline

- Refine budget data and strategies through May
- **Adopt proposed final budget – May 21, 2020**
- Deadline to make proposed final budget available for public inspection – May 30, 2020
- Deadline to offer public notice of the intent to adopt final budget – June 10, 2020
- Adopt final budget – June 18, 2020