



CENTENNIAL SCHOOL DISTRICT

Business Office

48 Swan Way, Warminster, PA 18974-4866
(215) 441-6000, Extension 11011 FAX: (215) 441-5105

Christopher Berdnik

TO: Administrators with Budgetary Authority
FROM: Christopher M. Berdnik
DATE: September 14, 2017
RE: 2018-19 Budget Development

I am pleased to deliver the 2018-19 budget development package two weeks ahead of schedule. You will **only** receive the materials electronically.

Enclosed are the following:

1. The Superintendent's 2017-18 convocation message;
2. 2018-19 budget calendar;
3. PDF version of your 2018-19 budget template;
4. Excel version of your 2018-19 budget template;
5. Worksheets for membership, overnight conference, and equipment requests;
6. Function and object code definitions;
7. Assistant Superintendent's guide to school vs. central budget responsibilities.

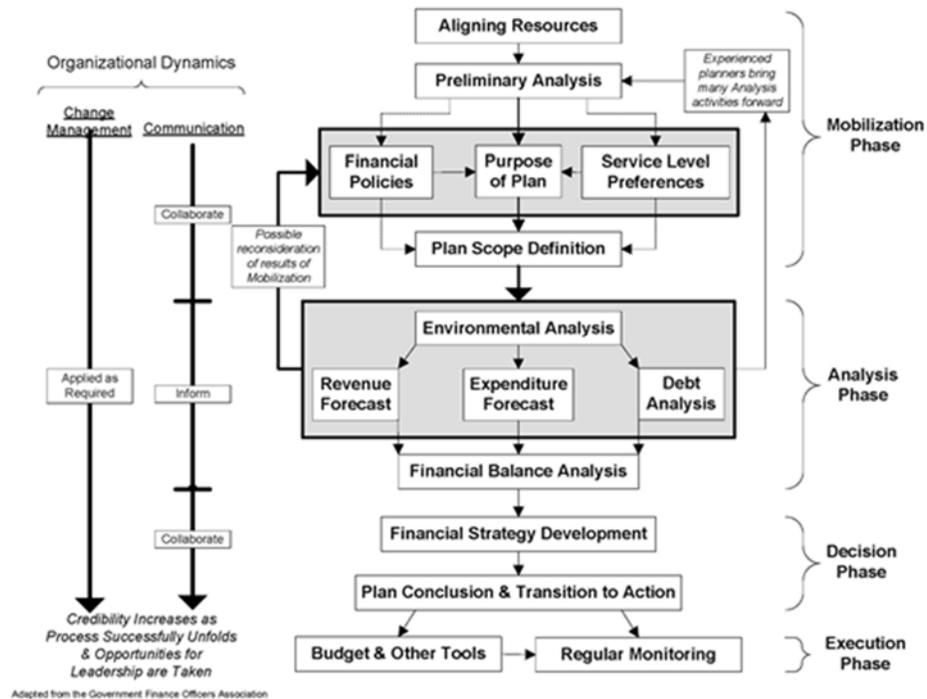
We expect to deliver a streamlined budget that falls within the parameters of the statewide index (or less). For central offices, we ask your assistance in making this happen by not exceeding your 2016-17 **OR** 2017-18 approved budget appropriation as you prepare your 2018-19 requests, and finding opportunities for reduction, if you can. Simply request what you need to deliver an efficient and effective free and appropriate public education and related services. Some years that will require increases in specific account lines, offset by perhaps by decreases in other areas.

For school-based budgets, we are again delineating allocations per pupil:

School	9/5 Count	Allocation per Pupil	2017-18 Allocation
Davis	766	55	42,130
McDonald	802	55	44,110
Willow Dale	808	55	44,440
Klinger	687	150	103,050
Log	705	150	105,750
Tennent	1,768	150	265,200

Note: Allocations for Klinger and Log **include** athletics and activities. Tennent's athletic budget is zero-based.

Our budget process in some sense never ends as we utilize a multiyear forecast to drive planning, although for the purpose of adopting a legally binding plan it can be broken down into distinct phases supported by communication and change management:



We ask you to reflect on how your 2018-19 budget request will support the vision of a district on the move expressed by the Superintendent at convocation 2017-18 and think about how we can achieve more with less across three main rails:

1. Innovation;
2. Equity and excellence;
3. Academic rigor and relevance.

The District holds a solid Aa2 credit rating from Moody's. The April 3, 2017 rating opinion highlighted "strong management" and "extensive long-term planning" as credit strengths, noting specifically that "In addition to conservative budgeting practices, management adheres to a formal fund balance policy and maintains a comprehensive long-term financial plan." Our multiyear projection presently assumes no Act 1 property tax increases. So long as modest revenue growth is available and the appetite for capital projects is warm, safe, and dry, balanced budgets are within our reach:

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.

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

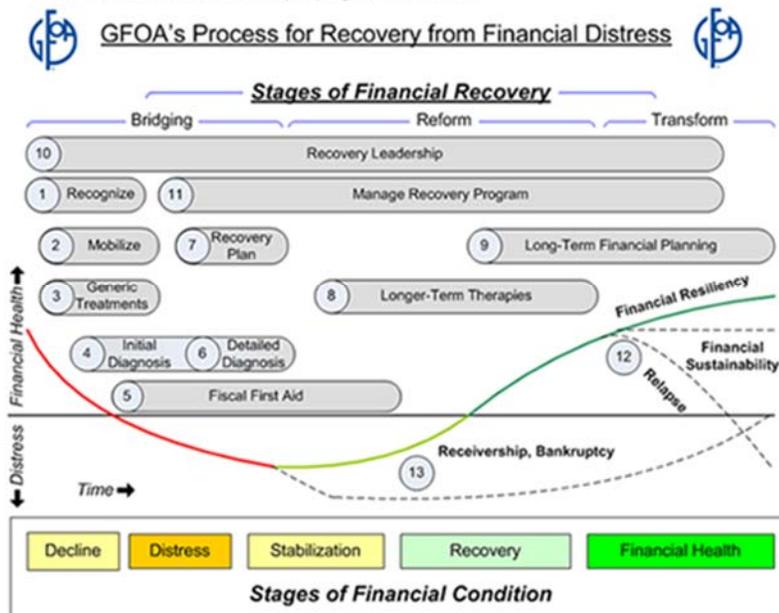
	2015/16 Final	2016/17 Projected	2017/18 Adopted	2018/19 Projected	2019/20 Projected	2020/21 Projected
Beginning All-In Fund Balance	10,041,303	10,318,055	10,570,519	10,570,519	7,923,703	3,320,734
6000 Local Revenue	78,589,104	82,712,553	83,483,636	86,083,261	86,521,345	86,961,911
<i>17/18 Includes Ac1 1 increase, plus PSERS exception; 18/19 forward represents state property tax relief within local revenue</i>						
7000 State Subsidies	27,070,202	30,733,924	30,541,396	29,307,064	29,975,016	30,405,814
8000 Federal Programs	1,402,688	951,892	1,197,936	976,785	976,758	976,758
9000 Other Financing Sources	15,573	557,755	25,000	25,000	25,000	25,000
Total Revenues	107,077,567	114,956,124	115,247,968	116,392,110	117,498,119	118,369,483
100 Wages and Salaries	53,109,637	54,558,075	54,691,126	55,506,295	56,162,484	56,809,644
200 Employee Benefits	25,907,432	28,752,490	30,887,030	32,536,177	34,035,988	35,048,993
300 Purchased Profession & Tech Svcs	5,630,171	4,767,488	5,336,800	6,067,222	6,127,901	6,189,179
400 Purchased Services/Maintenance	2,041,757	2,211,044	1,964,541	1,984,193	2,004,038	2,024,079
500 Other Purchased Services	5,345,203	6,165,600	6,267,525	6,330,216	6,393,523	6,457,457
600 Supplies/Food	2,522,246	2,636,255	3,276,397	3,309,181	3,342,279	3,375,694
700 Equipment and Property	1,237,229	1,855,377	2,054,923	1,219,561	1,609,064	1,625,155
800 Dues/Fees/Interest on Debt	6,260,521	5,234,063	7,659,072	7,364,321	7,217,833	7,063,907
900 Debt Principal Pymts & Fund Transfs	6,146,563	8,523,268	3,610,554	5,221,760	5,707,978	5,889,208
Total Expenditures	108,200,759	114,703,660	115,747,968	119,538,926	122,601,088	124,483,316
Annual Surplus/(Deficit)	(1,123,193)	252,464	(500,000)	(3,146,816)	(5,102,969)	(6,113,833)
One-time Sale of Newtown Road	1,399,945					
Add Back Contingency for Emergencies	-	-	500,000	500,000	500,000	500,000
Adjusted Annual Surplus/(Deficit)	276,752	252,464	-	(2,646,816)	(4,602,969)	(5,613,833)
Ending All-In Fund Balance	10,318,055	10,570,519	10,570,519	7,923,703	3,320,734	(2,293,099)

Budgeting in difficult times will require extraordinary creativity and a commitment to challenging our cultural norms:

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](#)

Aggressive bidding and quoting is at the heart of Centennial's budget management strategy. Donna Brassell will be distributing the 2018-19 bid sheets to you under separate cover.

I will schedule meetings and/or teleconferences with you to review the budget package by the end of September:

- For those of you reporting through the academic side of the house, your completed Excel spreadsheet is due back to the Assistant Superintendent by October 27th. Dr. Polinchock will in turn send your reviewed requests to the Business Office by November 3rd.
- All non-academic functions are required to submit their Excel spreadsheet directly to me by October 27th.
- As you complete the template, I ask that you take care not to disturb the template too much. I did not want to lock it down, as you may wish to add your own margin notes and justifications. If you do, please keep the format with the account lines and amounts the same as received.
- Early submissions are deeply appreciated.

Please note that Teaching & Learning, Technology, and Facilities will be required to illustrate their refresh cycle across at least a five year period of time, and Transportation a 12-year cycle.

Should you have any questions, please let me know.