

Finance Meeting Minutes
October 13, 2026

Committee Members Present: Mr. Ron Wurz, Chairperson, Mrs. Carolyn Sciarrino, Mr. Tom Trauger, and Mr. Brian McMullen

Other Board Members Present: Mrs. Leah Rash, Mr. Chris Kauffman, Mr. Nathaniel Leffever, and Mr. Bradley Merkl-Gump

Staff: Dr. Angelo Berrios, Dr. Brad Palmer and Mr. Sean Daubert

The meeting was called to order at 6:59 p.m.

1. Public Comment

There were no public comments.

2. Review contracts for approval:

- a. Children's Hospital of Philadelphia, educational services for student identified as 2027-05, \$68.59 per hour (\$66.59 ly), 2026-2027 (reviewed by solicitor)
- b. The Springtime School, educational services for student identified as 2027-06, \$615.44 per day tuition and paraprofessional plus \$57,913 for speech therapy, occupational therapy, and behavior services (reviewed by solicitor)

Mr. Daubert explained that the related services cost was calculated using the service hours identified by the District's special education supervisor and the applicable hourly rates. He added that services are governed by the student's IEP.

- c. LearnWell, educational services for student identified as 2027-07, \$64.65 per hour (\$61.55 ly) (reviewed by solicitor)
- d. SMart Center, psychotherapy consultations for student identified as 2027-08, psychotherapy \$150 per session, school consultation 30 minutes \$300 and 60 minutes \$500 (same as ly) (reviewed by solicitor)

Board members requested clarification regarding the total anticipated cost and the quantity of services covered by the contract. Mr. Daubert agreed to verify the anticipated service hours and total cost for the contract.

- e. ePlus Technology, renewal of Cisco phone system licensing and support, \$75,729.55 (\$49,124 ly), 2026-2027 (reviewed by solicitor)

There was discussion from the Board about the cost increase, the contract term, and the feasibility of transitioning to a less expensive cloud-based phone system. Mr. Daubert explained that Mr. Lezoche, Director of Technology, had begun investigating alternatives, including cloud-based systems that could potentially provide comparable functionality. He added that he will seek clarification regarding when the increased contract cost was communicated and what options were available to the District.

- f. Scholastic Book Fairs, North Middle School book fair, 11/30/26 to 12/4/26, parent paid (reviewed by solicitor)
- g. Bucks County Intermediate Unit, Truancy Agreement, 2026-2027, fee schedule attached (reviewed by solicitor)

Mr. Daubert explained that the agreement establishes a fee schedule for services used only when needed and added that utilization in the past has been minimal. Mr. Wurz asked if the rates are the same as in the past. Mr. Daubert stated that he will verify whether the truancy rates have changed from the previous year.

- h. Pennsylvania Economy League, enrollment projections 2026-2027, \$175 per hour (reviewed by solicitor)

Dr. Palmer explained that the PEL would update the enrollment models previously developed for the District approximately two years earlier. He added that the update would account for the enrollment changes and constructions phases. Dr. Palmer noted that because underlying models already exist, the work is expected to be relatively straightforward and less expensive than developing a new program or model.

These items will move forward for approval.

- 3. Student Activity Account as requested below:
 - a. High School Technology Student Association (TSA)-new

This item will move forward for approval.

- 4. Act 1 Index for Fiscal Year 2027-2028 set at 3.6%

Mr. Daubert reviewed the Act 1 Index for fiscal year 2027-2028, which was reported at 3.6%, an increase of 0.1 percentage point from the 3.5% index applicable to the current fiscal year. Mr. Wurz discussed the implications of the increase and reiterated the District's commitment to keep property taxes as low as possible while managing the school district's budget responsibly. Mr. Daubert noted that the District had anticipated a decrease in the Act 1 Index, based on preliminary information, instead the published index increased to 3.6%. He added that the Act 1 Index is primarily driven by inflationary factors.

- 5. Review 2027-2028 Budget Calendar
 - a. Act 1 Timeline
 - b. Non-Act 1 Timeline

Mr. Daubert explained that the Act 1 timeline is used when a school district is pursuing tax exceptions or a referendum. He added that the District will follow the Non-Act 1 timeline because, as a district receiving adequacy funding, it is no longer permitted under the applicable law to file for exceptions. Mr. Daubert explained that under the Non-Act 1 timeline, the District will follow its customary budget process, with budget votes scheduled in May and June. He added that the District is not required to obtain board approval of a preliminary budget in January or February under this process.

- 6. Act 1 Budget recommendation
 - a. 2027-2028 Act 1 Budget Resolution not to exceed Act 1 index of 3.6%.

Mr. Daubert presented the annual Act 1 budget resolution, establishing that the district's proposed budget will not exceed the Act 1 index of 3.6% for the upcoming budget year. He explained that, although state law restricts districts receiving adequacy funding from seeking certain exceptions to the Act 1 index, the statutory requirement for school boards to adopt the annual Act 1 resolution remains in effect.

Mr. Wurz asked how Central Bucks School District was able to pursue a tax increase above the index, given the restrictions affecting districts receiving adequacy funding. Mr. Daubert explained that, during the initial years of the adequacy funding program, some districts received no funding. He added that the state established a minimum adequacy funding amount of approximately \$50,000 for districts that had previously received none. This change was described as a response to political pressure from districts that had been excluded from the original funding allocations.

Mr. Daubert noted that the District received approximately \$89,000 in adequacy funding, which affects its eligibility to seek an exception to the Act 1 index.

Mr. Daubert clarified that the resolution establishes the district's commitment not to exceed the 3.6% Act 1 index and acknowledges the requirement to continue through the annual budget development and adoption process during May and June, as applicable. He noted that the statutory requirement to adopt the resolution remains in place despite the restrictions on seeking exceptions, describing the requirement as a procedural obligation that has not been reconciled with the limitations imposed by other provisions of state law.

This item will move forward for approval.

7. Finance update

Mr. Daubert presented an updated spreadsheet tracking expenditure reductions and budgetary savings implemented since the current year budget was adopted. He previously identified savings totaling approximately \$840,000; the updated total is approximately \$1.2 million.

Some savings discussed included:

- Approximately \$300,000 in student services savings.
- Savings associated with students returning to the district from outside placements.
- Savings resulting from a student completing an outside placement and graduating.
- Approximately \$100,000 is associated with recruiting cyber charter students into the district's cyber program.
- Additional savings through staffing reviews, changes to substitute procedures, and evaluating vacant positions to determine whether replacement is necessary or whether responsibilities can be reassigned internally.

Mr. Trauger recognized the administration's efforts to return students to district programs and reduce expenditures. Mrs. Sciarriano emphasized the importance of sustaining these savings and incorporating recurring reductions into future budgets where appropriate.

Mr. Daubert confirmed that staffing decisions are being reviewed individually and that additional savings opportunities will continue to be evaluated throughout the fiscal year.

Mr. Daubert reviewed preliminary year end estimates based on financial information available as of September 30. He explained that transferring the full \$6.144 million to the capital projects fund would result in an estimated year-end deficit of approximately \$1.271 million and a corresponding reduction in the General Fund balance. He added that reducing the capital projects transfer to approximately \$4.872 million would allow the district to break even for the fiscal year and preserve the general fund balance.

Board members discussed whether reducing the capital transfer would affect planned summer capital projects. Mr. Daubert indicated that the reduced transfer would align with approximately \$4 million in planned summer 2027 capital projects and would not require eliminating a project based on the information presented.

Mr. Daubert's recommendation was expressed in favor of the smaller transfer to avoid a year-end deficit and preserve the General Fund balance. He cautioned that the figures remain preliminary and may change as the annual audit progresses.

Mr. Daubert presented a new forecasting model developed to provide more timely financial information throughout the year. The model combines actual year-to-date results with estimates for the remaining fiscal months, using averages from the previous three years. He added that it will be updated monthly and incorporates identified expenditure savings.

Revenue projects discussed below:

- Actual revenue collected through September was approximately \$98 million, compared with approximately \$88.6 million during the same period in the prior year.
- The comparison was affected by the timing of state funding in the previous year, when state payments did not begin arriving until November.
- The model projected a revenue shortfall of approximately \$744,000 for the fiscal year.
- The projected shortfall reflected reductions in state basic education and special education subsidies, along with lower federal allocations.

Operating expenditure projections discussed below:

- Prior-year spending through the comparable period was approximately \$26.5 million.
- Current-year spending through September was approximately \$27.8 million.
- Projected annual operating expenditures were approximately \$154.7 million against a budget of approximately \$155.2 million.
- The model therefore projected an operating expenditure surplus of approximately \$521,000.

Mr. Daubert noted that after including debt service and transfers at their budgeted amounts, the overall forecast showed a projected deficit of approximately \$223,000. He emphasized that the forecast was based on only three months of actual data and would become more reliable as additional monthly results became available.

Mr. Wurz welcomed the new forecasting tool, noting that it provides improved financial visibility earlier in the year and supports planning before year-end results are available.

Mr. Trauger asked how approximately \$1.2 million in identified savings was reflected in the new forecast and whether the savings represented actual reductions already realized or annualized estimates. Mr. Daubert clarified that the savings spreadsheet reflects identified and anticipated annual savings, while the forecasting model uses actual year-to-date financial results and projected expenditures for the remaining months. He added that savings should become visible through actual expenditure trends as the year progresses.

A lengthy discussion took place on whether financial reports should include monthly budget-to-actual comparisons in addition to year-to-date figures and annual projections.

Mr. Daubert presented approximately ten years of historical revenue data covering FY 2016–2017 through FY 2025–2026. He noted that total district revenue increased by approximately \$27.7 million over the period, representing an average annual increase of approximately 2.12%. He added that revenue growth was below inflation over the period and that expenditure controls were necessary to maintain financial stability.

Mr. Daubert stated that basic education funding increased by approximately \$3.1 million over the ten-year period, with recent annual increases substantially lower than earlier increases. He added that special education funding increased by approximately \$780,000, despite special education being one of the district's fastest-growing expenditure areas. Regarding federal revenue, this has increased by approximately \$104,000 over the period, returning to approximately \$1.4 million after temporary increases associated with COVID-era federal funding.

Mr. Daubert noted that changes in state funding formulas, reductions in subsidies, and the expiration of temporary federal funding have complicated long-term financial planning.

Dr. Berrios explained that the District is facing financial challenges despite receiving significant increases in revenue over the past several years. Earned income tax revenue increased by nearly \$2 million between 2020 and 2021, and federal funding temporarily rose to more than \$4 million in 2022 due to additional pandemic-related assistance. Dr. Berrios went on to explain that earned income tax revenue growth has substantially slowed to below 2% per annum which is less than the inflationary pressure driving expenditure growth. Additionally, Dr. Berrios explained that federal funding provided during the covid era is no longer available to school districts which has returned federal funding to pre-pandemic levels. Dr. Berrios added that the District is now dealing with rising expenses, including special education, employee health insurance, fuel, and other operating costs. Dr. Berrios emphasized that these challenges are affecting school districts across Pennsylvania, not just Pennridge. He stated that the administration will continue looking for ways to reduce spending, including reviewing staffing positions and allowing some vacancies to remain unfilled, while trying to protect the quality of education, student programs, athletics, marching band, and employee wages.

Mr. Daubert reported that several previously available revenue sources have diminished or disappeared, leaving the district increasingly dependent on local revenue to support operations. He added that state and federal funding remains uncertain, with no clear indication of when additional funding may become available.

Mr. Daubert emphasized his continued efforts to control expenditures, including careful monitoring of revenues on a monthly basis and identifying opportunities to reduce costs. As part of its long-term financial planning, Dr. Berrios asked Mr. Daubert to conduct a review of proposed housing developments and potential future construction to estimate the additional revenue these projects could generate for the district. He noted that although the timing and financial impact of these developments remain uncertain, the analysis is intended to improve revenue forecasting and provide greater insight into future financial conditions.

Mr. Wurz expressed appreciation for the administration's proactive approach to financial planning, expenditure reductions, and improved financial forecasting. He noted that the additional forecasting tools provide greater visibility into the district's financial position and help reduce the likelihood of unexpected budget shortfalls. Mr. Wurz also acknowledged that the District appears to be approaching a balanced financial position for the upcoming year. He recognized that a significant financial challenge remains over the next three years as the district works to bridge the anticipated revenue gap and continued cost-saving measures and improved forecasting were identified as important factors in managing this transition.

Mrs. Rash also emphasized the distinction between costs the District can control and external factors beyond its control. She added that areas within the District's control include staffing, purchasing decisions, technology and systems investments, and extending the useful life of existing equipment and resources. She noted that rising costs for goods and supplies, along with changes in state and federal funding, create financial pressures that the district cannot directly influence.

Mrs. Rash stressed the importance of helping the community understand these external financial challenges and the broader importance of supporting public education. She noted that, if operating costs continue to rise and additional state or federal assistance is not available, increased local taxation may become necessary to sustain district operations.

8. Public Comment

There were no public comments.

9. Next Meeting

- a. The next Finance Committee Meeting is scheduled for November 9, 2026.

The meeting was adjourned at 8:06 p.m.