



# Merger Feasibility Study

Pennsbury School District and  
Morrisville Borough School District

December 22, 2022

**PFM Group Consulting LLC**  
1735 Market Street, 42<sup>nd</sup> Floor  
Philadelphia, Pennsylvania 19103

**Merger Feasibility Study**  
Pennsbury School District and  
Morrisville Borough School District

## Table of Contents

|   |     |
|---|-----|
| Introduction.....   | 1   |
| Demographics .....  | 9   |
| Enrollment .....  | 14  |
| Academics.....  | 24  |
| Facilities .....  | 46  |
| Food Service .....  | 59  |
| Transportation .....  | 63  |
| Governance.....   | 70  |
| Baseline Financial Projections .....                                      | 76  |
| Scenario Financial Projections.....                                       | 91  |
| Collaboration .....   | 117 |
| Appendix A: Feasibility Committee Members .....                           | 119 |
| Appendix B: Enrollment Data.....  | 120 |
| Appendix C: Academic Data .....   | 121 |
| Appendix D: Scenario Assumptions.....                                     | 128 |
| Appendix E: Baseline Model Financial Projections.....                     | 137 |
| Appendix F: Merger and Tuition Scenario Model Financial Projections ..... | 144 |



## Introduction

In mid-2022 the Pennsbury School District (Pennsbury or PSD) retained PFM Group Consulting (PFM) to conduct a feasibility study of a merger or student tuition arrangement between Pennsbury and the Morrisville Borough School District (Morrisville or MSD). This report is the outcome of that study.

In order to complete the work, PFM requested academic, financial, and operational information from the two districts. The study team also independently gathered other material from federal, state and private sources. PFM also interviewed leaders in both districts, including their Superintendents, heads of instruction, business and financial managers, and certain operational supervisors.

Pursuant to Pennsbury's request for proposals (RFP) for the project, PFM worked with the two districts to convene a Feasibility Committee of stakeholders to gain outside perspectives in to how a merger or tuition arrangement might be structured.<sup>1</sup>

## Goal of the Study

This report is intended to provide the Pennsbury and Morrisville School Boards with information to meet the RFP's stated goal of determining if a merger or tuition arrangement might be "in the best interest of both school districts, including, but not limited to, if instructional opportunities would be enhanced for all students at a similar or reduced cost to taxpayers."<sup>2</sup>

Because of the complexity of either type of arrangement, this report seeks to identify the major issues involved, raise questions that the boards will likely need to resolve prior to determining any next steps, and offer specific scenarios to provide academic, financial, and operational context. While it does provide several of these alternatives for the boards to review, they are necessarily illustrative. It is intended that the assumptions and complexity in each alternative will assist the boards in evaluating the many related issues and help them determine whether a merger or tuition arrangement is in their best interests. The boards will certainly want to alter and refine the scenarios provided in this study.

The report does not tell the boards whether they should move forward. Rather, it aims to provide sufficient information for them to determine under what circumstances they could do so, and provides guidance on what issues will need to be discussed and decided next. Undergoing a merger or beginning a tuition agreement are complex processes that will require many months planning and discussion before they could become a reality.

In addition, the report is intended to help the boards and their respective communities clearly see the key drivers of different financial and academic outcomes, and enhance their ability to have more detailed, data-driven discussions about the viability and desirability of alternative approaches.

## Alternatives and Assumptions

Because there are myriad ways that a merger or tuition arrangement could be structured, PFM had to make certain basic assumptions in order to limit the potentially limitless variations. It is important to understand that the three scenarios presented in this report are not the only ones, and not necessarily the

---

<sup>1</sup> Members of the Feasibility Committee and its meetings are included in Appendix A, and additional information can be found at Pennsbury's website: <https://www.pennsburysd.org/Domain/684>

<sup>2</sup> Pennsbury School District, Request for Proposal #2122-011.



ones that might be viewed as the best by all members of the community. In fact, the two boards will undoubtedly wish to see the impact of somewhat different assumptions if discussions progress.

Given that reality, PFM has developed three scenarios that address slightly different functional approaches and provide stakeholders with an understanding of the dynamics of different approaches and assumptions so that they can have more informed and intentional discussions.

Those scenarios, described in more detail later in this report, include:

- Scenario 1: A merger scenario where all Morrisville students are educated by Pennsbury
- Scenario 2: A tuition scenario where Morrisville sends its students in grades 3-12 to Pennsbury's schools
- Scenario 3: A tuition scenario where Morrisville sends its students in grades 6-12 to Pennsbury's schools

Each of the scenarios will be described in more detail later in this report, with numerous assumptions identified in each case. Readers are urged to note the different assumptions made in each scenario to evaluate that specific approach, to compare the three approaches, and to consider other assumptions. Particular attention should be paid to those issues which arise only if there is a merger or only in a tuition arrangement.

It is also important to note that the two districts have meaningful opportunities for collaboration whether or not the two board decides to further consider merger or a tuition agreement. This cooperation can start now, and is generally beneficial to both districts, in most cases through opportunities for Pennsbury to provide excess service capacity to Morrisville at a lower cost than Morrisville can achieve on its own. These opportunities, which include transportation, special education, maintenance, and other services, are described in a later section of this report.

## High-Level Findings

Overall, the study team found that each of the alternatives could be viable. This standard is defined as improving the financial position of both school districts over the baseline, while providing sufficient enhanced teaching, counseling, and paraprofessional support to ensure that the conditions are created so that all children will succeed academically.

As noted earlier, because of the numerous assumptions needed to model a merger or tuition agreement, this report can only provide detail on a limited number of frameworks that could work for the two districts. The specific scenarios presented are intended to provide a variety of alternatives to enhance dialogue. The two boards and other stakeholders will put more or less weight on different aspects of each scenario and will undoubtedly wish to consider the impact of different assumptions. Therefore, this report can be most useful in detailing the assumptions made and the financial and programmatic outcomes of those assumptions. While the specifics for each scenario are described in more detail later in the report, it is helpful to understand several overarching assumptions at a high level at the outset. Listed below are several of these overarching assumptions. Readers are urged to evaluate the assumptions after reviewing each of the scenarios in their totality as presented later in the report, as well as considering the numerous other assumptions necessary to model the impact of a merger or tuition agreement between the two districts.



## **General Assumptions**

- Any merger or tuition agreement would not begin prior to the 2024-25 school year, providing substantial time for preparation and transition
- As in other merger and tuition agreements across the State, no distinction would be made between students from either district in classrooms, availability of academic supports, ability to participate in extracurricular activities, or other programs or facilities
- Where Morrisville students attend Pennsbury schools, they would be bused on local routes like Pennsbury students and would not walk to a single central pickup/drop-off point; where Morrisville students attend Morrisville schools, they would continue to walk

## **Academic Assumptions**

- Given current differences in academic achievement between the two districts, various supports – mostly additional teachers and counselors – are provided for the first five years of the new arrangement, with those resources reduced by one-half beginning in the sixth year of the agreement
- In addition, it is assumed that Pennsbury retains all 25 of Morrisville’s budgeted paraprofessional staff to support special education students
- Morrisville schools would adopt Pennsbury’s curriculum in remaining grades in order to improve transitions when students reach a grade level that attends Pennsbury
- Under all scenarios, Morrisville’s children in grades K-2 will be educated in the borough, and two scenarios assume that they will continue to be enrolled at the Grandview Elementary School

## **Financial Assumptions**

- The study team used a ten-year baseline financial projection for Pennsbury closely modeled on Pennsbury’s existing public ten-year model
- The study team constructed a ten-year baseline financial projection for Morrisville
- The Commonwealth of Pennsylvania will continue its recent Ready to Learn block grant or equivalent support of Morrisville in an amount of \$1.0 million each year
- Additional Commonwealth assistance – recurring or to address certain one-time costs – is not assumed, but would help ensure success of any merger or tuition agreement
- Tuition provided by Morrisville to Pennsbury includes an overhead factor to cover various hard-to-calculate costs and to provide funds to invest in Pennsbury’s long-term success

## **Other Issues**

During the report’s preparation, and especially during meetings of the Feasibility Committee, a number of issues were raised that cannot be fully addressed in a report of this nature, in particular those that involve matters of law or Commonwealth jurisdiction. The following discussion identifies these issues, how they are treated in the report, and in some cases proposes topics for further exploration by the two boards and stakeholders.

## **Existing Morrisville Debt and Debt Service**

Under the School Code, it appears that in a merger the combined future district would be responsible for the outstanding debt and debt service of both districts. In particular, stakeholders and members of the Feasibility Committee have suggested that the assumption of the debt and debt service by existing Pennsbury taxpayers is a burden that outweighs the benefit of the additional real estate tax revenue that would also transfer to Pennsbury. Further, there is concern that varying assessments across the district



mean that some taxpayers would pay a greater proportion of the remaining debt service than others. While Morrisville has less outstanding debt than Pennsbury, and the remaining annual debt service can be accommodated in the merger financial scenario, issues around the transfer of debt responsibility could be substantially reduced if the Commonwealth were to provide an ongoing subsidy to cover the annual debt service at least until Morrisville's current debt is fully paid off in 2036-37.<sup>3</sup>

### **Additional Morrisville Debt and Debt Service**

Similarly, both school buildings in Morrisville need roof repairs, likely necessitating that the district take on additional debt service estimated at about \$350,000 per year. The different scenarios add all or a portion of this debt to the equation based on whether the Morrisville school buildings continue to be used. Choosing an approach that closes the Morrisville buildings will obviate the need for the expense and the future debt service payments.

### **Real Estate Tax Rates**

In a merger, the new district can set a new real estate tax rate. However, all taxpayers in the combined school district must pay the same rate. Based on input from Pennsbury's administration, Feasibility Committee, and public comment, the study team has assumed that Pennsbury will not add any millage not already included in its ten-year financial plan. Since the combined district would have to have a single tax rate, based on current rates levied in 2022-23 in a merger this would result in a millage reduction of approximately 25 percent for taxpayers in Morrisville Borough.

The status quo in Pennsbury's ten-year financial plan and the ten-year projection in Morrisville include regular annual real estate tax increases. The merger and tuition scenarios provide slightly improved results, but in two of the three scenarios rates are not adjusted in order to accelerate achievement of positive fund balances. In the third scenario the rates are lowered after the fund balance is solidly positive.

### **Earned Income Tax**

The Borough of Morrisville enacted a 1.0 percent Earned Income Tax (EIT) in 2022. The Morrisville School District, the Pennsbury School District and the municipalities within Pennsbury do not have the EIT. The new Morrisville Borough tax, which is expected to generate \$1.7 million on an annual basis for the Borough, is not shared with the School District.

Pennsbury or Morrisville could enact an EIT. To do so, each district would have to form a tax commission to study the issue and subject the matter to voter referendum if the commission recommends enacting the tax. Any revenue generated would be required to be used to reduce the real estate tax revenue collected by the district by the same amount, so the primary reason for enacting an EIT would be to shift tax burden from real estate taxpayers to resident wage earners.

Since there is not a financial incentive to enact an EIT, the EIT was not a part of this study. There have been no efforts to charge one in Pennsbury, and the Morrisville School District reports having discussed and rejected the idea.

---

<sup>3</sup> The full principal amount of Morrisville's outstanding debt – approximately \$8.85 million at the beginning of 2024-25 – is likely too large to be completely paid off at the outset of a merger or tuition agreement.



## **Negative Fund Balance**

Some stakeholders and members of the Feasibility Committee have pointed out Morrisville's recent history of growing negative fund balances and have noted that in a merger any such amounts would become the responsibility of Pennsbury. They have raised equity issues similar to those described above in connection with debt and debt service.

In a merger, it would be important that Morrisville not bring any unpaid expenses or other elements of negative fund balance that would become the responsibility of Pennsbury. The most efficient way to do this would be for Morrisville to eliminate its negative fund balance and generate balanced annual budgets prior to a merger. The Morrisville baseline projection indicates that this could occur through a combination of cost control, increased local revenues, and continuous receipt of the Ready to Learn block grant in 2022-23 and in future years. Alternatively, any remaining negative fund balance could be assumed by the Commonwealth at the time of merger. The merger scenario in this report assumes some combination of these steps would be taken to eliminate any negative fund balance in Morrisville by 2024-25.

## **Bankruptcy**

Members of the Feasibility Committee and the public suggested that another way to have Morrisville enter a merger without a negative fund balance and outstanding debt would be for the Morrisville to declare bankruptcy. However, the study team has assumed that Chapter 9 bankruptcy is not an option for Morrisville. Most significantly, school districts in Pennsylvania cannot declare bankruptcy without permission from the Commonwealth based on provisions in the School Code. Given the potential credit impact on all other districts in the State, and the State intercept program for debt service payments, it is assumed that the Commonwealth would not entertain such a filing. Moreover, given that Morrisville has other paths to eliminating its negative fund balance and annual shortfalls prior to a merger, as described above, it is not clear that it would have a strong case for bankruptcy. Finally, well in advance of any contemplation of bankruptcy, the Pennsylvania Department of Education's practice has been to place a district in the Commonwealth's oversight program for distressed school districts in order to improve its finances.

## **Referendum**

During the Feasibility Committee meetings, it was suggested that due to the breadth and impact of the merger/tuition decision, that the school boards should have a referendum to allow input from voters. The School Code provides for a merger after a majority vote of both school boards and review and approval by the Commonwealth. In the Governance chapter, this report describes the process for merger included in the School Code but leaves the question of a referendum and other optional procedures for decision by the two boards.

## **Redistricting**

This study does not assume redistricting of existing Pennsbury students.



## State Assistance

In its 2009 report on school district mergers,<sup>4</sup> the Pennsylvania School Boards Association (PSBA) called on the State to provide assistance if it wished districts to merge or consolidate. In particular, the PSBA suggested that the State should provide:

- Funding for front-end costs
- Financial assistance to address "leveling up" of salaries and benefits, or legislative relief
- Technical assistance to districts for merger studies
- Technical and financial assistance with curriculum alignment
- Financial assistance to cover administrative costs

This report identifies a variety of areas where Commonwealth assistance would facilitate a merger or tuition arrangement, including one-time aid to assist with Morrisville's debt and negative fund balance. The tuition scenarios assume a recurring commitment by the State to provide an annual \$1.0 million Ready to Learn block grant to Morrisville. The State should also consider a meaningful recurring commitment to Pennsylvania.

In prior cases where a school district merged or entered into a tuition agreement, the State has provided one-time and/or recurring funds to the school districts. In the Central Valley merger, the State covered transition costs and other expenditures with a one-time grant. When Pittsburgh and Wilkesburg entered into a tuition agreement for students in grades 7 to 12, the State provided an ongoing increase of \$3.0 million in revenue to support the additional expenditures for the instructional and support services provided to Wilkesburg's students.

## Fairness and Equity

During the Feasibility Committee meetings, comments from Committee members and members of the public regularly referred to matters of fairness and equity. These ranged across multiple issues, from the different resources available to students in the two districts to the different tax burden on residents in areas with varying home valuation. This report cannot address all of those concerns, although it may provide information useful in clarifying certain items. In addition, as noted in the report, some issues can be substantially addressed by the State if discussions progress and it becomes a party. Broadly, since they are not merely numerical, matters of fairness and equity are best addressed by the relevant elected and appointed officials after input from all stakeholders.

## Importance of Marginal Impacts

Numerous observers have pointed out that the current average cost per pupil of education in Morrisville is higher than that in Pennsylvania, with the amount of difference between the two depending on what financial measure, time period, and enrollment level are chosen. Using the most recent school year for which both districts have independent audits, and the average daily membership (total enrollment figure reported to the State for students attending all public schools), the following average cost per pupil is generated:

---

<sup>4</sup> PSBA, Merger/Consolidation of School Districts, April 2009, page 3.



## 2020-21 Per Student Spending

|                                     | Pennsbury       | Morrisville     |
|-------------------------------------|-----------------|-----------------|
| Total Expenditures                  | \$216,911,210   | \$23,567,826    |
| Average Daily Membership            | 10,284          | 976             |
| <b>Average Per Student Spending</b> | <b>\$21,091</b> | <b>\$24,157</b> |

Source: Financial audits and Pennsylvania Department of Education's average daily membership count for the 2020-21 school year.

However, this information does not capture the actual changes in revenues, expenditures, and other factors that would occur if students from Morrisville attended Pennsbury schools under various scenarios. For example, to the extent that students from Morrisville can fill currently empty seats in Pennsbury classrooms, fewer teachers will be needed, and the cost per pupil would decline. In many cases students from Morrisville, a walking district, would have to be bused to Pennsbury, which would increase costs per pupil. The accumulation of all of these marginal costs is described in each of the chapters of this report and the detailed scenario descriptions.

### Rating Agency Impacts of a Merger or Tuition Agreement

As part of its review, PFM examined the most recent bond rating agency reports for each district. While rating agencies typically do not offer advisory opinions, their existing reports can indicate what factors are important for future ratings. Those ratings are important because they affect the cost of future borrowing for capital needs.

In the case of Pennsbury, the district has a credit opinion from Moody's Investors Service from April 2022 with a rating of Aa3, which is a solid mid-level rating. Moody's notes that long-term, Pennsbury's challenges including declining enrollment, the need to pay for capital investment in coming years, and "modest" reserves compared to peers. Offsetting these factors are "above-average resident wealth and tax base valuation" supported by strong management and planning by the Board and administration.<sup>5</sup>

Given these credit strengths and challenges, the impact of merger on Pennsbury would likely be mixed. On the one hand, adding Morrisville School District would slightly reduce Pennsbury's resident wealth and tax base advantages, and there would have to be a resolution of Morrisville's negative fund balance or that would affect the rating agency reserve concern. On the other hand, adding Morrisville would directly address the issue of declining enrollment, a factor specifically flagged by Moody's.

A tuition scenario would likely be somewhat more of a credit positive than merger as Pennsbury would have the benefit of increased enrollment and tuition to help fund future capital needs without a direct effect on its wealth and tax base indicators.

The Morrisville School District carries a BB+ rating from Standard & Poor's after a downgrade in July 2022. The rating report cited Morrisville's negative financial results in 2021 and 2022, along with related liquidity challenges. While this is offset by a low debt burden and a stable local tax base and enrollment, a BB+ rating is below investment grade.<sup>6</sup>

A merger scenario would eliminate Morrisville's rating. S&P states that future rating actions will be conditioned on Morrisville's ability or inability to achieve structural balance and improve cash flow.

<sup>5</sup> "Pennsbury School District, PA, Update to Credit Opinion," Moody's Investors Service, April 11, 2022.

<sup>6</sup> "Morrisville Borough School District, Pennsylvania; General Obligation," Standard & Poor's, July 6, 2022.



Therefore, the rating agency impact of a tuition scenario would primarily depend on whether it could be implemented with a neutral or positive impact on Morrisville's finances.

The two districts should consult with their financial advisors for more insight into their ratings.

## Study Conclusions

As noted above, the study team found that each of the alternatives could be viable. While viability rests on numerous individual assumptions and trends, it is particularly affected in each case by the factor noted below.

- Baseline: Morrisville requires the continued \$1.0 M from the State and significant annual real estate tax rate increases to achieve annual budget balance and eliminate its accumulated negative fund balance
- Merger or tuition: financial outcomes are extremely sensitive to the ability to achieve economies of scale with Pennsbury's classrooms
- Merger or tuition: economies of scale are somewhat contingent on Pennsbury's continued decrease in annual enrollment, following current trends with a decline in the number of students of about 1.0 percent per year
- Merger: extremely sensitive to additional debt brought with Morrisville, and the annual award from the State of a \$1.0 M Ready-to Learn block grant or its equivalent

Many but not all of these factors can be addressed by the two boards and stakeholders, including the Commonwealth, and should be areas of particular focus in discussing whether and how to move forward.

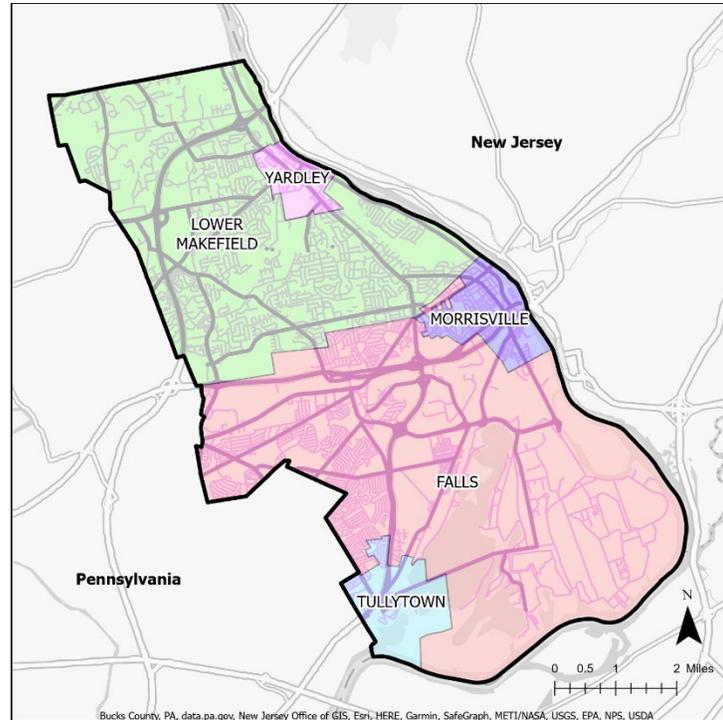


# Demographics

School districts exist to provide a high-quality public education to all students. As students' needs change, districts must also adjust and reevaluate the services to ensure that the needs of the community are met. Before evaluating the educational, financial, and operational impacts of a potential merger or tuition agreement on Pennsbury and Morrisville, the study team has summarized key demographic data and background information for the two school districts. Understanding the similarities and differences between the districts will provide stakeholders in each community with the information needed to make equitable decisions on issues that will be explored in each of the other areas of this report.

## Location

Pennsbury and Morrisville are two districts located in the Southeastern corner of Bucks County, which is in Southeastern Pennsylvania. Out of 67 counties in the Commonwealth, Bucks County is the fourth largest county in Pennsylvania. The two districts sit alongside the New Jersey border with the Delaware River. Pennsbury is approximately 49 square miles, and it is comprised of four different municipalities: Falls Township, Lower Makefield Township, Yardley Borough, and Tullytown Borough. In contrast, Morrisville is smaller in physical size, it is approximately two square miles, and it only serves students in the borough.



## Population Statistics

As shown in the table below, the total population of Pennsbury is more than five times greater than that of Morrisville. Overall, Morrisville is 12.0 percent of the total population of Pennsbury's constituent municipalities, and 10.6 percent of Pennsbury's population under 18.

### Census Population<sup>7</sup>

|                                  | Total Population | Population Under 18 | Percent of Population Under 18 |
|----------------------------------|------------------|---------------------|--------------------------------|
| <b>Pennsbury School District</b> |                  |                     |                                |
| Falls Township                   | 33,535           | 7,787               | 23.2%                          |
| Lower Makefield Township         | 32,743           | 7,426               | 22.7%                          |
| Tullytown Borough                | 2,215            | 444                 | 20.0%                          |
| Yardley Borough                  | 2,496            | 491                 | 19.7%                          |
| <b>Total Pennsbury</b>           | <b>70,989</b>    | <b>16,148</b>       | <b>22.7%</b>                   |
| Morrisville                      | 8,540            | 1,705               | 20.0%                          |

**Source:** U.S. Census Bureau, 2020 American Community Survey (ACS), DP05 Demographic and Housing Estimates, 5-Year Estimates.

<sup>7</sup> During the drafting of this report, the U.S. Census Bureau released the 2021 ACS 5-Year estimates. This report uses the 2020 ACS 5-Year estimates because the changes would require extensive revisions to the narrative and calculations.



Of Pennsbury's municipalities, the townships of Falls and Lower Makefield consist of more than half of its population. Although Morrisville's area is slightly smaller than Tullytown Borough, it has a greater population than both of the boroughs in Pennsbury. In terms of the approximate number of school-age children, Pennsbury also has a greater number of residents under the age of 18. On a percentage basis, residents under 18 account for 22.7 percent of the total Pennsbury population, which is slightly higher than the 20.0 percent of the population reported for Morrisville. For children ages 5 to 17, Morrisville's percentage of children in families in poverty is nearly 2.7 times greater than the rate in Pennsbury.

### Census Household Income and Poverty Level

|                                  | Median Household Income | Median Home Value | Percent Below Poverty Level | Percent of Children Ages 5 to 17 in Families in Poverty <sup>8</sup> |
|----------------------------------|-------------------------|-------------------|-----------------------------|--|
| <b>Pennsbury School District</b> |                         |                   |                             |  |
| Falls Township                   | \$80,518                | \$256,800         | 7.3%                        | N/A  |
| Lower Makefield Township         | \$150,621               | \$484,800         | 3.5%                        | N/A  |
| Tullytown Borough                | \$64,539                | \$249,600         | 15.3%                       | N/A  |
| Yardley Borough                  | \$87,337                | \$409,200         | 3.3%                        | N/A  |
| <b>Total Pennsbury</b>           | <b>\$104,024</b>        | <b>\$346,600</b>  | <b>5.6%</b>                 | <b>5.7%</b>  |
| Morrisville                      | \$77,538                | \$208,500         | 4.9%                        | 15.3%  |

**Source:** U.S. Census Bureau 2020 ACS, S19101 Income in the Past 12 Months and S2506 Financial Characteristics for Housing Units with a Mortgage, 5-Year Estimates (Median Household Income and Median Home Value); U.S. Census Bureau, Small Area Income and Poverty Estimates, 2021.

Based on data from the Pennsylvania Tax Equalization Board, Pennsbury has a higher total assessed value than Morrisville. Of the municipalities that comprise Pennsbury, Lower Makefield Township has the highest assessed value at \$538.9 million in 2021.

### Assessed Value Trends, 2016 to 2020 (\$ in Millions)

|                                  | 2016           | 2017           | 2018           | 2019           | 2020           | 2021           | CAGR        |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------|
| <b>Pennsbury School District</b> |                |                |                |                |                |                |             |
| Falls Township                   | \$318.3        | \$319.0        | \$320.4        | \$331.7        | \$333.7        | \$333.1        | 0.9%        |
| Lower Makefield Township         | \$523.5        | \$527.3        | \$531.1        | \$533.7        | \$536.5        | \$538.9        | 0.6%        |
| Tullytown Borough                | \$24.0         | \$23.8         | \$23.7         | \$23.6         | \$23.7         | \$23.7         | (0.2%)      |
| Yardley Borough                  | \$31.3         | \$32.6         | \$34.2         | \$35.4         | \$36.1         | \$36.1         | 2.9%        |
| <b>Total Pennsbury</b>           | <b>\$897.1</b> | <b>\$902.7</b> | <b>\$909.5</b> | <b>\$924.4</b> | <b>\$930.0</b> | <b>\$931.8</b> | <b>0.8%</b> |
| Morrisville                      | \$61.7         | \$61.6         | \$61.6         | \$61.6         | \$61.6         | \$61.4         | (0.1%)      |

**Source:** Commonwealth of Pennsylvania's State Tax Equalization Board, Market Value reports, 2016 to 2020.

Morrisville's assessed value of \$61.4 million is over 2.5 times greater than the assessed value in Tullytown Borough, and it is over 1.7 times greater than the assessed value in Yardley Borough. Over the years shown in the table above, Pennsbury shows a compound annual growth rate (CAGR) of 0.8

<sup>8</sup> Although the ACS reports show poverty rates for the two school districts and the constituent municipalities, the annual changes in these rates are fairly volatile. The U.S. Census prepares the Small Area Income and Poverty Estimates, which also used in the formula for the distribution of Title I funding for school districts.

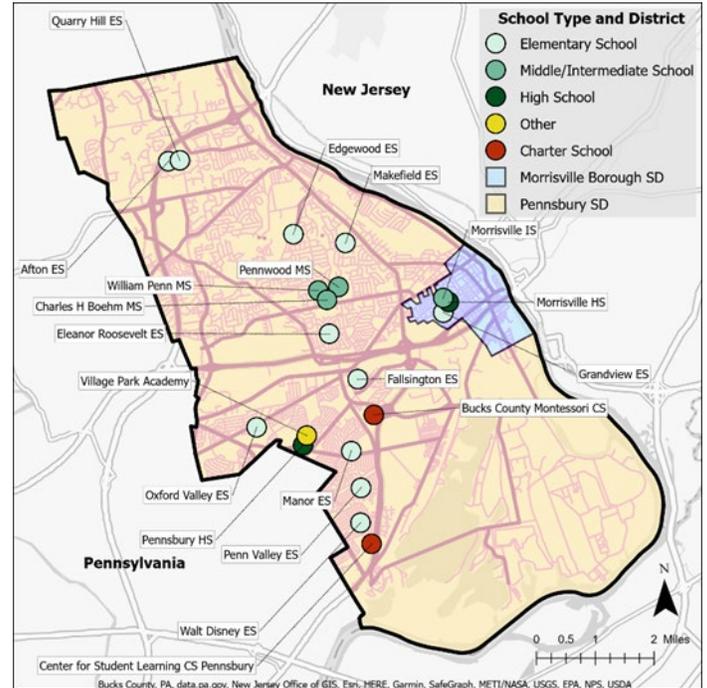


percent per year, with increases in value driven by Falls and Lower Makefield townships. Morrisville reported a slight decrease in assessed value at a CAGR of negative 0.1 percent.

## School Buildings

According to the 2022-23 data reported by the two school districts shown in the table on this page, there were 9,613 at schools operated by the Pennsbury School District, and 813 students enrolled in Morrisville's schools. Given the larger enrollment at Pennsbury, it operates many more schools than Morrisville. Pennsbury operates and maintains 10 elementary schools, three middle schools, one high school, and one 9-12 academy for alternative education for disruptive youth (Village Park Academy). Morrisville has one elementary school building (Grandview Elementary School), and one building that houses the intermediate, middle, and high school (Morrisville Middle / Senior High School).

As noted above, Pennsbury and Morrisville have different grade configuration in the school buildings. In contrast, Morrisville has one elementary school that enrolls students from kindergarten through the second grade. In Morrisville, students in grades three to five attend the intermediate school located at the back of the Morrisville Middle / Senior High School building. Middle school students also attend school in the building, which means that grade levels span grades 3 to 12 in Morrisville's second building.



### Grade Configuration and Enrollment 2022-23 School Year

|  | Configuration | Buildings | Enrollment   |
|--|---------------|-----------|--------------|
| <b>Pennsbury School District<sup>9</sup></b> |               |           |              |
| Elementary School                            | K-5           | 10        | 4,365        |
| Middle School                                | 6-8           | 3         | 2,377        |
| High School                                  | 9-12          | 1         | 2,871        |
| <b>Total Pennsbury</b>                       | <b>—</b>      | <b>14</b> | <b>9,613</b> |
| <b>Morrisville School District</b>           |               |           |              |
| Elementary School                            | K-2           | 1         | 203          |
| Intermediate School                          | 3-5           | 1         | 207          |
| Middle School                                | 6-8           |           | 188          |
| High School                                  | 9-12          |           | 215          |
| <b>Total Morrisville</b>                     | <b>—</b>      | <b>2</b>  | <b>813</b>   |

Source: Enrollment counts reported by the school districts for 2022-23.

In Pennsbury, elementary school students are educated from kindergarten through fifth grade in the same building. Middle school students attend one of three schools at the middle school campus for grades 6 to

<sup>9</sup> Pennsbury's enrollment at the Village Park Academy is shown in each of the grade levels in the table above.



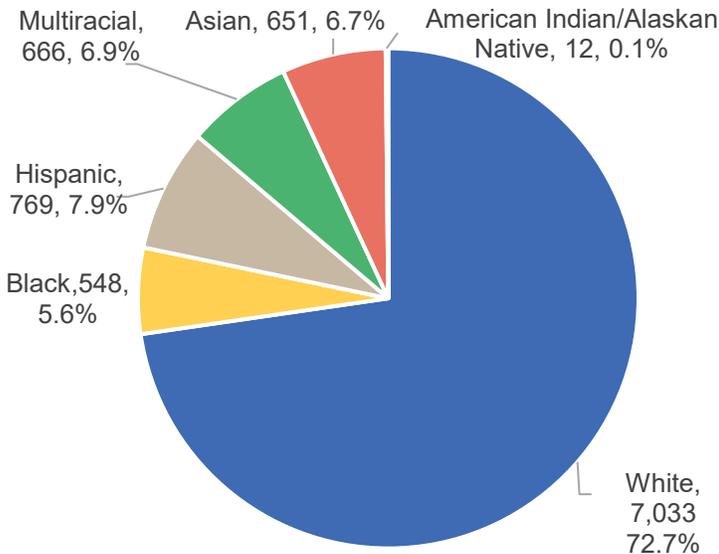
8, and high school students attend Pennsbury High School West and East buildings. Students enrolled in the alternative education program attend school at the Village Park Academy, which is located on the same campus that houses both West and East high school buildings.

In terms of size, Pennsbury operates elementary schools that have a greater enrollment than Morrisville's Grandview Elementary School. Similarly, each of Pennsbury's middle and high school has an enrollment that is more than double the enrollment at Morrisville's one combined middle and high school. Pennsbury High School alone is more than triple the size of Morrisville's total student population.

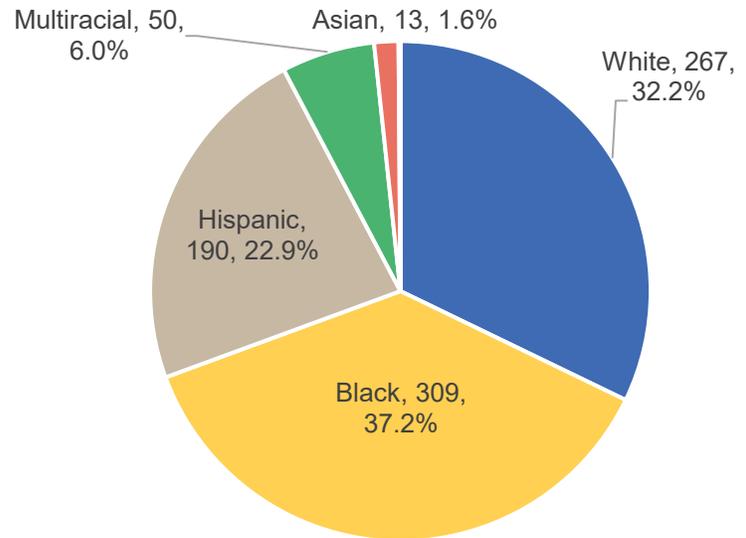
## Student Demographics

The Pennsbury and Morrisville student populations differ along different types of student categories, including race and ethnicity, economically disadvantage status, special education identification, English Learner status, and homelessness. The data in the charts below is presented for the 2021-22 school year, which uses updated data for some of the demographic indicators that was released after the Feasibility Committee's September 19, 2022 meeting.

**Pennsbury School District  
2021-22 Student Demographics**



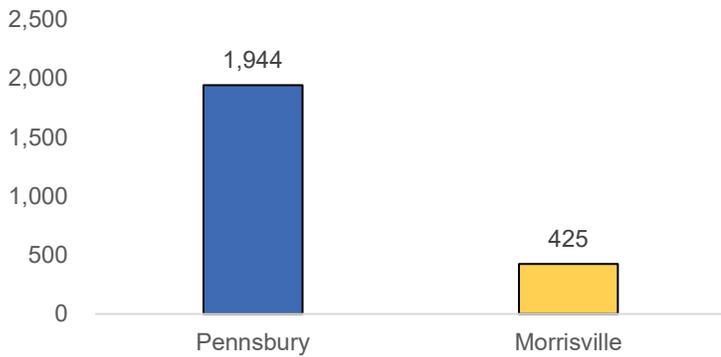
**Morrisville School District  
2021-22 Student Demographics**



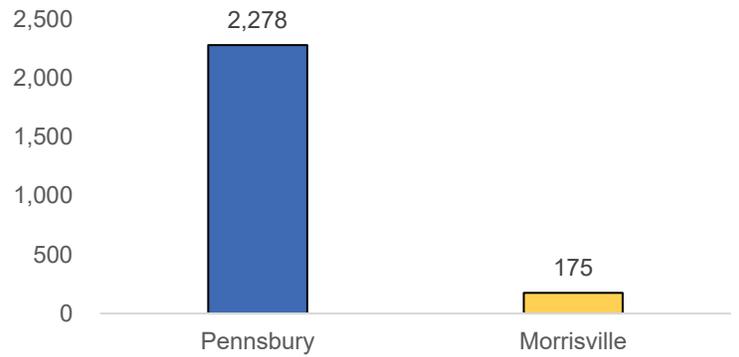
**Source:** Pennsylvania Department of Education, Future Ready PA Index and October Enrollment Count for 2022-23.



### 2021-22 Economically Disadvantaged Students

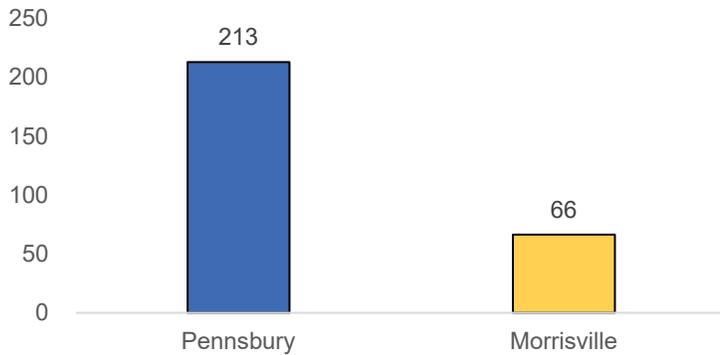


### 2021-22 Special Education Students

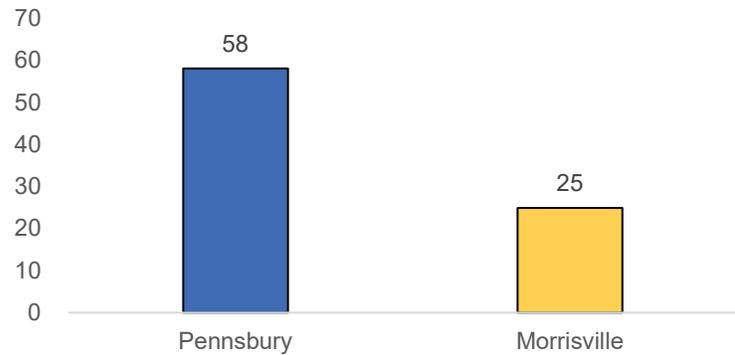


**Source:** Pennsylvania Department of Education, Future Ready PA Index and October Enrollment Count for 2022-23; Special Education Data Report.

### 2021-22 English Language Learners



### 2021-22 Homeless Students



**Source:** Pennsylvania Department of Education, Future Ready PA Index and October Enrollment Count for 2022-23.



# Enrollment

## Types of Enrollment Counts

Enrollment levels are one of the most important metrics for a school district to track because they affect almost all areas of operations. There are various ways that school districts report enrollment to the Pennsylvania Department of Education (PDE), involving different counts occurring at several points throughout the school year. One of the most important reports that school districts make to the State is the October count, which provides an early snapshot of enrollment after fluctuations at the start of the school year. This count includes students in the schools and programs operated by a school district. However, this count does not include students in charter schools or some special education placements. On the other hand, this count is valuable because it is promptly available, covers most students educated in district-operated schools, and it has been collected for all recent years.

Another enrollment calculation reported to the State is the average daily membership (ADM), which includes all public school students for whom a school district is financially responsible. This count will include students enrolled in buildings operated by a school district, those enrolled in charter schools, and students in special education or other programs operated outside of the school district. If the October count is a point in time snapshot, the ADM averages enrollment across a school year considering days in attendance, active students, and the number of days in session. The ADM is generally available in May the year after the end of the school year and is subject to ongoing, usually small revisions for some additional period, so it is more retrospective than the October count.

Students enrolled in private, parochial, or non-public schools<sup>10</sup> are not included in either count above. A school district may collect some non-public school enrollment information for students that receive transportation in order to complete reporting provided to the State. However, these counts will only include those who receive transportation service, and would not include those who walk, drive, or are dropped off at a non-public school. At the federal level, the U.S. Census Bureau and the National Center for Education Statistic (NCES) collect and report some non-public school enrollment estimates at the school district level. These counts are usually reported on a delay, and they would show enrollment from several school years prior.

Enrollment levels impact many areas of a school district’s academic programs and operations. Annual fluctuations and long-term trends can impact needs for staffing, ability to offer programs, building capacity, tuition spending, and transportation service. The rest of this chapter will analyze enrollment in Pennsbury and Morrisville through different types of available data, and outline how those trends will affect the other areas of this Study.

## October Enrollment Trends

The table below shows the October enrollment counts reported by Pennsbury and Morrisville to the State. These counts do not include students enrolled in Pre-Kindergarten programs, charter schools, non-public schools, or special education services provided outside of the respective districts.

**October Enrollment Trends**

|             | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | CAGR   |
|-------------|---------|---------|---------|---------|---------|---------|--------|
| Pennsbury   | 10,182  | 10,035  | 9,990   | 9,907   | 9,544   | 9,673   | (1.0%) |
| Morrisville | 846     | 846     | 848     | 873     | 811     | 830     | (0.4%) |

Source: Pennsylvania Department of Education, October Enrollment Count.

<sup>10</sup> These groups are identified by the phrase “non-public school students” for the remainder of this study.



As noted in the Demographics chapter of the study, Pennsbury and Morrisville employ different grade structures. Pennsbury’s elementary schools host kindergarten through fifth grade, middle schools have grades 6 through 8, and the high school has grades 9 through 12. In Morrisville, elementary school includes kindergarten through second grade in one building. The intermediate school located in the rear of the Middle / Senior High School includes grades 3 to 5, the middle school wing has grades 6 to 8, and the high school portion of the building has grades 9 through 12. Throughout this chapter, when comparing Pennsbury and Morrisville enrollment, Pennsbury’s grade configuration will be used for both districts.

In the table above, Pennsbury’s enrollment has decreased by 509 students over the six years represented (1.0 percent on a compound annual basis). Elementary enrollment (K-5) decreased by a total of 175 students between the 2016-17 and 2021-22 school year, or 0.8 percent annually. Middle school enrollment (6-8) decreased by 80 students total over the same time, or 0.7 percent annually. High school enrollment (9-12) decreased by the largest amount, 254 total students or 1.7 percent annually.

Total enrollment in Morrisville decreased over the six school years by 16 students, or 0.4 percent annually. Elementary enrollment (K-5) has increased by 16 students, or 0.8 percent annually. Middle school enrollment (6-8) decreased by 19 students, or 1.9 percent annually. High school enrollment (9-12) dropped by 13 students, or 1.2 percent annually during the same time. Morrisville’s enrollment was growing before the pandemic, and enrollment levels have not returned to pre-pandemic levels.

Both Morrisville and Pennsbury experienced decreases in enrollment during the school years impacted from the pandemic between 2019-20 and 2021-22. In Pennsbury, enrollment decreased by 234 students from 2019-20 to 2021-22, or 2.4 percent. Elementary grades (K-5) accounted for 63.2 percent of the decrease, middle school grades (6-8) accounted for 28.2 percent, and high school grades (9-12) accounted for the remaining 8.5 percent. On a percentage basis, 2021-22 enrollment was 97.6 percent of the amount reported in October 2020.

In Morrisville, enrollment decreased by 43 students from 2019-20 to 2021-22, or 4.9 percent. Elementary grades (K-5) accounted for 34.9 percent of the decrease, middle school grades (6-8) accounted for 41.9 percent, and high school grades (9-12) accounted for the remaining 23.3 percent. On a percentage basis, 2021-22 enrollment was 95.1 percent of the amount reported in October 2020.

### Preliminary 2022-23 Enrollment

| Grade Level  | Pennsbury    | Morrisville |
|--------------|--------------|-------------|
| K            | 653          | 67          |
| 1            | 757          | 85          |
| 2            | 727          | 51          |
| 3            | 764          | 74          |
| 4            | 716          | 73          |
| 5            | 748          | 60          |
| 6            | 776          | 59          |
| 7            | 810          | 69          |
| 8            | 791          | 60          |
| 9            | 730          | 62          |
| 10           | 775          | 41          |
| 11           | 710          | 62          |
| 12           | 656          | 50          |
| <b>Total</b> | <b>9,613</b> | <b>813</b>  |

Source: Enrollment counts reported by Pennsbury and Morrisville for 2022-23.



For the purposes of this study, the preliminary 2022-23 enrollment count for Morrisville and Pennsbury will be the starting point for estimates of enrollment in the merger and tuition scenarios. In the preliminary count for the current school year, Pennsbury's total enrollment decreased by 60 students compared to the prior year. In Morrisville, enrollment decreased by 17 students compared to the prior year. The totals for the preliminary estimate are shown by grade level for each school district in the table above.

## Average Daily Membership (ADM) Trends

Over the past ten years of data reported to the State from 2011-12 to 2020-21, both Pennsbury and Morrisville showed downward trends in the ADM counts. In Pennsbury, ADM decreased by 0.9 percent on a compound annual basis for a total decrease of 911 students over the ten-year period. In Morrisville, ADM decreased by 0.2 percent annually for a total decrease of 17 students. As shown in the table below, these annualized trends do not include some of the year-to-year variation for both school districts. Pennsbury's ADM decreased in nine of the ten years; the 2015-16 school year was the only year where the count increased. Morrisville's trends were more varied during the same amount of time with four years of increases and five years of decreases.

### Average daily membership (ADM) trends

|             | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Pennsbury   | 11,195  | 11,100  | 10,867  | 10,819  | 11,085  | 10,816  | 10,694  | 10,638  | 10,617  | 10,284  |
| Morrisville | 993     | 1,006   | 963     | 995     | 974     | 968     | 964     | 987     | 1,010   | 976     |

Source: Pennsylvania Department of Education, Average Daily Membership by school district.

If one were to carry Pennsbury's and Morrisville's ADM trends over the timeframe considered in this study, both school districts would continue to show the gradual decreases in enrollment. By 2032-33, Pennsbury would have 1,100 fewer students on an ADM basis compared to the most recent year reported in 2020-21. In Morrisville, the ADM would decrease by 22 students over the same time period.

## Non-Public School Enrollment

Pennsbury provides transportation to non-public school students, which shows a portion of the population enrolled in non-public schools. Since Morrisville does not transport non-public school students, publicly available sources such as the federal Census must be used to approximate the population of students.

Below, the tables show the enrollment levels in kindergarten through twelfth grade for students enrolled in non-public schools. Based on the Census data, Pennsbury and Morrisville have similar shares of students enrolled in non-public schools in Kindergarten and grades 5 to 8. The share of students in grades 1 to 4 and 9 to 12 is almost a mirror image in Pennsbury and Morrisville.

It should be noted that the number of non-public school students transported by Pennsbury is approximately one-half the number of total non-public students identified in the Census.

### 2020 Non-Public School Enrollment

| Grade Level  | Pennsbury    | % of Total | Morrisville | % of Total |
|--------------|--------------|------------|-------------|------------|
| K            | 181          | 9.4%       | 20          | 9.6%       |
| 1-4          | 511          | 26.6%      | 96          | 46.2%      |
| 5-8          | 349          | 18.2%      | 37          | 17.8%      |
| 9-12         | 879          | 45.8%      | 55          | 26.4%      |
| <b>Total</b> | <b>1,920</b> |            | <b>208</b>  |            |

Source: U.S. Census Bureau 202 ACS, S1401 School Enrollment, 5-year estimates.



As a stress test to the enrollment assumptions used in this study, the population of students enrolled in non-public schools will be assumed to change in the merger and tuition scenarios. Over time, it is assumed that a portion of Morrisville students would shift from non-public schools to Pennsbury’s schools based on improvements to educational programs under the scenarios.

In the merger scenario, the study assumes that 50 percent of Morrisville’s K-12 population enrolled in non-public schools would attend school in Pennsbury over time. The study assumes that the shift in enrollment would take place over five years after the merger begins in 2024-25 with the full shift completed by 2028-29. If a merger were to take place, the figures will likely differ from the study’s estimates due to the factors that may impact parent decisions. As two examples, a parent may choose to keep their children enrolled in a non-public school if a sibling is also enrolled in the school or if the child is nearing graduation. On the other hand, parents with children in elementary school may be more inclined to move to Pennsbury’s schools if a merger were to take place. Given these complexities, the study assumes that a portion of the non-public school enrollment will shift over the five-year period.

In the tuition scenarios, the study also assumes that 50 percent of the Morrisville students currently enrolled in non-public schools would attend school in Pennsbury. Since the Census data does not provide grade by grade enrollment, the study assumes that grades 1 to 4 and 5 to 8 are distributed evenly across the four grade bands.

### Return of Non-Public School Enrollment

| Scenario       | Enrollment |
|----------------|------------|
| Merger         | 104        |
| Tuition (3-12) | 70         |
| Tuition (6-12) | 42         |

In all scenarios, an increase in enrollment may affect Pennsbury’s staffing needs and facility capacity. Pennsbury would also need to anticipate potential changes in transportation costs, since those students would now fall under Pennsbury’s transportation operations. Please refer to the Facility and Transportation chapters for a more detailed discussion of these considerations.

### Charter School Enrollment

Charter school enrollment can be determined from reports generated by a school district, or in the ADM counts reported to the State. It is important for school districts to track this enrollment for budgeting purposes since school districts pay tuition for students attending charter schools, and transportation may be provided to these students as well.

Since the level of detail available varies in the enrollment reports from the two school districts, this analysis will focus on total enrollment as reported by the school districts. Pennsbury and Morrisville’s charter school ADM reported by the State is also available for four out of the past five school years. In the next table, charter school enrollment is reported as a share of total ADM based on the available information reported to the State. Like many other school districts across Pennsylvania, both Pennsbury and Morrisville experienced an increase in the share of students enrolled in charter schools during the pandemic. In Pennsbury, this share rose from 2.9 percent in 2019-20 to 3.6 percent in 2020-21. In Morrisville, the share rose from 4.8 percent to 6.8 percent.



## Charter School Enrollment Trends

|                                      | 2016-17     | 2017-18     | 2018-19    | 2019-20     | 2020-21     |
|--------------------------------------|-------------|-------------|------------|-------------|-------------|
| <b>Pennsbury School District</b>     |             |             |            |             |             |
| Charter School ADM                   | 146         | 289         | N/A        | 312         | 375         |
| Total ADM                            | 10,816      | 10,694      | 10,638     | 10,617      | 10,284      |
| <b>% Enrolled in Charter Schools</b> | <b>1.3%</b> | <b>2.7%</b> | <b>N/A</b> | <b>2.9%</b> | <b>3.6%</b> |

|                                      |             |             |            |             |             |
|--------------------------------------|-------------|-------------|------------|-------------|-------------|
| <b>Morrisville School District</b>   |             |             |            |             |             |
| Charter School ADM                   | 41          | 41          | N/A        | 48          | 66          |
| Total ADM                            | 968         | 964         | 987        | 1,010       | 976         |
| <b>% Enrolled in Charter Schools</b> | <b>4.2%</b> | <b>4.3%</b> | <b>N/A</b> | <b>4.8%</b> | <b>6.8%</b> |

**Source:** Pennsylvania Department of Education, Average Daily Membership by school district and Basic Education Funding by school district.

As noted in the Baseline Financial Projections chapter of this report, the baseline models for Pennsbury and Morrisville assume that the school districts slowly return to pre-pandemic levels of charter school enrollment.

Beginning in 2024-25, the baseline scenario assumes that four of Morrisville’s students currently enrolled in charter schools return to Morrisville-operated schools. This assumes that it takes a number of years for enrollment to begin reversing after the increases during the pandemic and in the current 2022-23 school year. By 2032-33, 55 students remain in charter schools, which would be 6.1 percent of the total population shown. These are still above pre-pandemic levels when Morrisville’s share of students enrolled in charter schools was between 4 and 5 percent as shown in the table above.

### Charter School Enrollment Assumptions Baseline Scenario

|  | 22-23      | 23-24      | 24-25      | 25-26      | 26-27      | 27-28      | 28-29      | 29-30      | 30-31      | 31-32      | 32-33      |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Current Morrisville Students           | 813        | 813        | 813        | 813        | 813        | 813        | 813        | 813        | 813        | 813        | 813        |
| Students Returned From Charter Schools | 0          | 0          | 4          | 8          | 12         | 16         | 20         | 24         | 28         | 32         | 36         |
| Charter School Students                | 91         | 91         | 87         | 83         | 79         | 75         | 71         | 67         | 63         | 59         | 55         |
| <b>Total Enrollment</b>                | <b>904</b> |

In the merger and tuition scenarios, this study assumes that the share of Morrisville students enrolled in charter schools will gradually shift over a five-year period until it mirrors the share in Pennsbury. In the table below, the enrollment in Morrisville school buildings and charter schools is shown for the baseline financial projections, and the assumptions for the merger and tuition scenarios are shown separately.

## Pennsbury’s Classroom Capacity

In order to estimate the professional staff required to educate Morrisville’s students, the study team reviewed the current enrollment in Pennsbury’s elementary, middle, and high schools. This review included an analysis of average enrollment levels in classroom sections for all three levels in the 2022-23 school year, and an evaluation for the potential impacts of Morrisville’s current enrollment. Over time, the patterns of enrollment will likely change in both Pennsbury and Morrisville leading up to the start of a merger or tuition agreement; however, several broad trends emerged from the analysis that supported the scenarios used in this study.



## **Elementary School Level**

Given the distances required to travel to Pennsbury's elementary schools, the analysis focused on the eight schools closest to Morrisville and excluded the two elementary schools located in Lower Makefield Township. At the elementary level, the analysis showed that there was capacity in all of Pennsbury's grades from K to 5 at the eight schools; however, the addition of Morrisville's students for grades K to 2 would leave Pennsbury close to its internal class size guideline of 24 students at the elementary level. For grades 3 to 5, the addition of Morrisville's students would leave Pennsbury with capacity to remain below the 24-student guideline.

Pennsbury's enrollment in grades K to 5 has decreased since the start of the pandemic. Elementary school enrollment (K to 5) decreased by 285 students in the 2020-21 school year, and despite rebounding over the past two school years, enrollment remains over 150 students below the pre-pandemic average enrollment of 4,517 students. At the Kindergarten level, enrollment dropped as low as 596 in 2020-21 and 653 in the current school year. If these trends continue and Kindergarten cohorts remain smaller, then there may be additional capacity in Pennsbury's elementary schools as the cohorts progress through each grade level.

Since the merger or tuition agreement would not begin until the 2024-25 school year, Pennsbury would have sufficient time to review its class sizes and monitor trends in enrollment to estimate future classroom capacity. As noted in the Academics chapter, Pennsbury will need to review class sizes and program structures as it plans for the addition of Morrisville's students should a merger or tuition agreement proceed. This will include accommodating Morrisville's bubble class of students in grade 1 of the current 2022-23 school year, which is 12 students higher than the average first grade in prior school years. The Academics chapter outlines the considerations for the need for additional staff required, and the cost impacts for Pennsbury's elementary school teachers and support staff are included in the Scenario Financial Projections chapter.

## **Middle and High School Level**

At the middle and high school level, the study team's analysis focused on enrollment in the core subject areas of English Language Arts, Math, Science, and Social Studies. The analysis included a review of Pennsbury's current student assignments in the building master schedules for the 2022-23 school year, and an evaluation of the potential impacts of Morrisville's students. The Academics chapter outlines the considerations for the need for additional staff required at the middle and high school level, and the Scenario Financial Projections chapter includes the cost impacts of the staff. Since Pennsbury's enrollment is expected to decrease at the elementary school level in the near future, and it has experienced a decrease in enrollment at the high school level in recent years, it is assumed that continuations of these trends would alleviate any potential impacts of growth in students from Morrisville, or the return of Morrisville's students from non-public or charter schools at the middle and high school levels.

## **Building Capacities**

Given the information provided for this report, the study team was required to make general assumptions about building capacities and staffing. At the elementary level where class locations are fixed and there is limited movement between classrooms for courses, the study team focused on the ability of Pennsbury to accommodate Morrisville's students within existing sections of classes. Several categories of staff may require space within the buildings. As noted above, an additional section may be required for Morrisville's bubble class. In addition, the classroom support and special education teachers may require classroom space. At the middle and high school levels, the study team assumed that the larger size of the buildings and the student schedule-based approach to classroom assignments would mean that Pennsbury could accommodate the additional staff included in the estimates.



Prior to the start of a merger or tuition agreement, Pennsbury's administration would review its staff assignments and building capacities to determine appropriate classroom assignments. In many cases, Pennsbury is likely to have a variety of temporary measures which could be used to accommodate the increased staff. As an example, if a new elementary section is required for Morrisville's bubble class at the elementary level, a classroom currently used for music or art could be used as a new section until the class transitions to middle school.

### Longer-Term Enrollment Trends

In recent population estimates from the U.S. Census Bureau, counts of the population under the age of five have decreased compared to prior decades. These trends have occurred in communities across the nation, and they have also impacted Pennsbury. Using data from the American Community Survey, the table below shows changes in the total population, population under the age of five, and population under the age of 18. As shown in the table, Pennsbury's decline in population across all three categories has been greater than the national trend for the years from 2010 to 2020.

### Long-Term Population Trends

| United States    |             |             |            |        | Pennsbury |        |         |        |
|------------------|-------------|-------------|------------|--------|-----------|--------|---------|--------|
|                  | 2010        | 2020        | #          | %      | 2010      | 2020   | #       | %      |
| Total Population | 303,965,272 | 326,569,308 | 22,604,036 | 7.4%   | 71,441    | 70,989 | (452)   | (0.6%) |
| Under 5          | 20,061,708  | 19,650,192  | (411,516)  | (2.1%) | 3,929     | 3,585  | (344)   | (8.8%) |
| Under 18         | 74,167,526  | 73,296,738  | (870,788)  | (1.2%) | 17,289    | 16,148 | (1,141) | (6.6%) |

Source: U.S. Census Bureau, 2020 ACS, S0101 Age and Sex, 5-Year Estimates.

Based on the trends observed in the average daily membership reported to the State and the population counts from the Census, the study team concluded that it is likely that Pennsbury will continue to face declining enrollment over the next several years. Over time, these trends are likely to allow Pennsbury to accommodate Morrisville's students in its classrooms under the study scenarios.

### Merger and Tuition Scenarios

As discussed in the sections above, this study will assume that enrollment patterns change in Morrisville after a merger or tuition arrangement beginning in the 2024-25 school year. The enrollment stress test is based on the assumption that students in Morrisville would have greater access to educational opportunities, which would lead parents and families to choose different options in future school years. The enrollment stress test provides a potential range of enrollment impacts, which will be considered in the financial projections and analysis of academic staffing later in this study.

### Scenario 1: Merger

|   | 2022-23    | 2023-24    | 2024-25    | 2025-26    | 2026-27    | 2027-28    | 2028-29    | 2029-30    |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Morrisville K-2</b>                    |            |            |            |            |            |            |            |            |
| Current Morrisville Students              | 203        | 203        | 203        | 203        | 203        | 203        | 203        | 203        |
| Students Returned From Non-Public Schools | 0          | 0          | 7          | 14         | 21         | 28         | 34         | 34         |
| Students Returned From Charter Schools    | 0          | 0          | 1          | 4          | 7          | 10         | 13         | 16         |
| <b>Elementary School Enrollment</b>       | <b>203</b> | <b>203</b> | <b>211</b> | <b>221</b> | <b>231</b> | <b>241</b> | <b>250</b> | <b>253</b> |



|  | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|---------|

**Morrisville 3-5**

|   |            |            |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| Current Morrisville Students              | 207        | 207        | 207        | 207        | 207        | 207        | 207        | 207        |
| Students Returned From Non-Public Schools | 0          | 0          | 6          | 12         | 18         | 24         | 28         | 28         |
| Students Returned From Charter Schools    | 0          | 0          | 1          | 4          | 7          | 10         | 13         | 16         |
| <b>Elementary School Enrollment</b>       | <b>207</b> | <b>207</b> | <b>214</b> | <b>223</b> | <b>232</b> | <b>241</b> | <b>248</b> | <b>251</b> |

**Morrisville 6-8**

|   |            |            |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| Current Morrisville Students              | 188        | 188        | 188        | 188        | 188        | 188        | 188        | 188        |
| Students Returned From Non-Public Schools | 0          | 0          | 3          | 6          | 9          | 12         | 14         | 14         |
| Students Returned From Charter Schools    | 0          | 0          | 1          | 4          | 7          | 9          | 12         | 15         |
| <b>Middle School Enrollment</b>           | <b>188</b> | <b>188</b> | <b>192</b> | <b>198</b> | <b>204</b> | <b>209</b> | <b>214</b> | <b>217</b> |

**Morrisville 6-12**

|   |            |            |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| Current Morrisville Students              | 215        | 215        | 215        | 215        | 215        | 215        | 215        | 215        |
| Students Returned From Non-Public Schools | 0          | 0          | 6          | 12         | 18         | 24         | 28         | 28         |
| Students Returned From Charter Schools    | 0          | 0          | 1          | 4          | 7          | 11         | 14         | 17         |
| <b>High School Enrollment</b>             | <b>215</b> | <b>215</b> | <b>222</b> | <b>231</b> | <b>240</b> | <b>250</b> | <b>257</b> | <b>260</b> |

|                              |            |            |            |            |            |            |            |            |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Educated in Pennsbury</b> | <b>813</b> | <b>813</b> | <b>839</b> | <b>873</b> | <b>907</b> | <b>941</b> | <b>969</b> | <b>981</b> |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|

|                         |            |            |            |            |            |            |              |              |
|-------------------------|------------|------------|------------|------------|------------|------------|--------------|--------------|
| Charter School Students | 91         | 91         | 87         | 75         | 63         | 51         | 39           | 27           |
| <b>Total Enrollment</b> | <b>904</b> | <b>904</b> | <b>926</b> | <b>948</b> | <b>970</b> | <b>992</b> | <b>1,008</b> | <b>1,008</b> |

In the table above, the enrollment is shown for the merger scenario with the 50 percent assumption described above for the return of students currently enrolled in non-public schools. Over a five-year period beginning in 2024-25, in addition to current Morrisville students, 104 non-public school students from Morrisville would enroll in Pennsbury. In addition, the table shows the number of students returning from charter schools with a different assumption than the one used in the baseline scenario. Given the differences in the programs offered by Morrisville and Pennsbury, the study assumes that the return of charter school students would occur much faster in the merger scenario. In the table above, the share of students enrolled in charter schools matches Pennsbury by 2029-30 when 3.0 percent of Morrisville's students would be enrolled in charter schools. The table provides a breakdown of the enrollment for grades K-5 and 6-12 for students returning from non-public and charter schools. By the 2029-30 school year, 168 students would return from non-public and charter schools. The study assumes that enrollment levels would remain the same for the final three years of the ten-year financial projections.

In the table below, the enrollment is shown for the tuition scenario where grades 3 to 12 would be educated in Pennsbury's schools. As noted in the section above, the study assumes that 50 percent of the students enrolled in non-public schools would return to Pennsbury schools, and that there would be no change in the non-public school enrollment for the students remaining in Morrisville. For charter



schools, grades 6 to 12 shift to Pennsbury's share of enrollment over time, and the students enrolled in elementary schools continue at the rates described in the baseline scenario. By the 2029-30 school year, 118 students would return from non-public and charter schools to be educated in Pennsbury. The study assumes that enrollment levels would remain the same for the final three years of the ten-year financial projections.

### Scenario 2: Tuition Grades 3 to 12

|  | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
|--|---------|---------|---------|---------|---------|---------|---------|---------|

#### Morrisville School District (K-2)

|   |            |            |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| Current Morrisville Students              | 203        | 203        | 203        | 203        | 203        | 203        | 203        | 203        |
| Students Returned From Non-Public Schools | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          |
| Students Returned From Charter Schools    | 0          | 0          | 1          | 2          | 3          | 4          | 5          | 6          |
| <b>Educated in Morrisville</b>            | <b>203</b> | <b>203</b> | <b>204</b> | <b>205</b> | <b>206</b> | <b>207</b> | <b>208</b> | <b>209</b> |

#### Pennsbury School District (3-5)

|   |            |            |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| Current Morrisville Students              | 207        | 207        | 207        | 207        | 207        | 207        | 207        | 207        |
| Students Returned From Non-Public Schools | 0          | 0          | 6          | 12         | 18         | 24         | 28         | 28         |
| Students Returned From Charter Schools    | 0          | 0          | 1          | 4          | 7          | 10         | 13         | 16         |
| <b>Elementary School Enrollment</b>       | <b>207</b> | <b>207</b> | <b>214</b> | <b>223</b> | <b>232</b> | <b>241</b> | <b>248</b> | <b>251</b> |

#### Pennsbury School District (6-8)

|   |            |            |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| Current Morrisville Students              | 188        | 188        | 188        | 188        | 188        | 188        | 188        | 188        |
| Students Returned From Non-Public Schools | 0          | 0          | 3          | 6          | 9          | 12         | 14         | 14         |
| Students Returned From Charter Schools    | 0          | 0          | 1          | 4          | 7          | 9          | 12         | 15         |
| <b>Middle School Enrollment</b>           | <b>188</b> | <b>188</b> | <b>192</b> | <b>198</b> | <b>204</b> | <b>209</b> | <b>214</b> | <b>217</b> |

#### Pennsbury School District (9-12)

|   |            |            |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| Current Morrisville Students              | 215        | 215        | 215        | 215        | 215        | 215        | 215        | 215        |
| Students Returned From Non-Public Schools | 0          | 0          | 6          | 12         | 18         | 24         | 28         | 28         |
| Students Returned From Charter Schools    | 0          | 0          | 1          | 4          | 7          | 11         | 14         | 17         |
| <b>High School Enrollment</b>             | <b>215</b> | <b>215</b> | <b>222</b> | <b>231</b> | <b>240</b> | <b>250</b> | <b>257</b> | <b>260</b> |

|                              |            |            |            |            |            |            |            |            |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Educated in Pennsbury</b> | <b>610</b> | <b>610</b> | <b>628</b> | <b>652</b> | <b>676</b> | <b>700</b> | <b>719</b> | <b>728</b> |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|

|                         |            |            |            |            |            |            |            |            |
|-------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Charter School Students | 91         | 91         | 87         | 77         | 67         | 57         | 47         | 37         |
| <b>Total Enrollment</b> | <b>904</b> | <b>904</b> | <b>919</b> | <b>934</b> | <b>949</b> | <b>964</b> | <b>974</b> | <b>974</b> |



In the table below, the enrollment is shown for the tuition scenario where grades 6 to 12 would be educated in Pennsbury's schools. As noted in the section above, the study assumes that 50 percent of the students enrolled in non-public schools would return to Pennsbury schools, and that there would be no change in the non-public school enrollment for the students remaining in Morrisville. For charter schools, grades 6 to 12 shift to Pennsbury's share of enrollment over time, and the students enrolled in elementary schools continue at the rates described in the baseline scenario. By the 2029-30 school year, 74 students would return from non-public and charter schools to be educated in Pennsbury. The study assumes that enrollment levels would remain the same for the final three years of the ten-year financial projections.

### Scenario 3: Tuition Grades 6 to 12

|   | 2022-23    | 2023-24    | 2024-25    | 2025-26    | 2026-27    | 2027-28    | 2028-29    | 2029-30    |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Morrisville School District (K-5)</b>  |            |            |            |            |            |            |            |            |
| Current Morrisville Students              | 410        | 410        | 410        | 410        | 410        | 410        | 410        | 410        |
| Students Returned From Non-Public Schools | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          |
| Students Returned From Charter Schools    | 0          | 0          | 2          | 4          | 6          | 8          | 10         | 12         |
| <b>Educated in Morrisville</b>            | <b>410</b> | <b>410</b> | <b>412</b> | <b>414</b> | <b>416</b> | <b>418</b> | <b>420</b> | <b>422</b> |
| <b>Pennsbury School District (6-8)</b>    |            |            |            |            |            |            |            |            |
| Current Morrisville Students              | 188        | 188        | 188        | 188        | 188        | 188        | 188        | 188        |
| Students Returned From Non-Public Schools | 0          | 0          | 3          | 6          | 9          | 12         | 14         | 14         |
| Students Returned From Charter Schools    | 0          | 0          | 1          | 4          | 7          | 9          | 12         | 15         |
| <b>Middle School Enrollment</b>           | <b>188</b> | <b>188</b> | <b>192</b> | <b>198</b> | <b>204</b> | <b>209</b> | <b>214</b> | <b>217</b> |
| <b>Pennsbury School District (9-12)</b>   |            |            |            |            |            |            |            |            |
| Current Morrisville Students              | 215        | 215        | 215        | 215        | 215        | 215        | 215        | 215        |
| Students Returned From Non-Public Schools | 0          | 0          | 6          | 12         | 18         | 24         | 28         | 28         |
| Students Returned From Charter Schools    | 0          | 0          | 1          | 4          | 7          | 11         | 14         | 17         |
| <b>High School Enrollment</b>             | <b>215</b> | <b>215</b> | <b>222</b> | <b>231</b> | <b>240</b> | <b>250</b> | <b>257</b> | <b>260</b> |
| <b>Educated in Pennsbury</b>              | <b>403</b> | <b>403</b> | <b>414</b> | <b>429</b> | <b>444</b> | <b>459</b> | <b>471</b> | <b>477</b> |
| Charter School Students                   | 91         | 91         | 87         | 79         | 71         | 63         | 55         | 47         |
| <b>Total Enrollment</b>                   | <b>904</b> | <b>904</b> | <b>913</b> | <b>922</b> | <b>931</b> | <b>940</b> | <b>946</b> | <b>946</b> |



# Academics

The study team requested academic and operational data from both Pennsbury and Morrisville, which included information on enrollment, staffing levels, curriculum, programmatic offerings, and other data. This information was supplemented with staff interviews, follow up discussions with the staff at both school districts, and data gathered from the Pennsylvania Department of Education.

The primary intent of this review was to identify elements that would be significantly impacted by a potential merger or tuition agreement between Pennsbury and Morrisville. As noted in the Enrollment chapter, the study team focused on the staffing and seat capacity within existing classrooms for general and special education, alignment of curriculum, and existing programs and supports offered to students.

The ability to provide a high-quality educational experience to students understandably relies upon having sufficient resources to make investments in staff, facilities, and curriculum. While the financial comparison is discussed further in the Baseline Financial Projections and Scenario Financial Projections chapters of this report, this chapter will evaluate similarities and differences between Pennsbury and Morrisville regarding the academic experience of students. In addition, the chapter will outline the potential impacts of a merger or tuition agreement on school staffing, curriculum, and programs.

## Bell Times and School Day

The table below shows the differences in bell times and duration of the school day for Pennsbury and Morrisville. At the elementary school level, Pennsbury has a longer school day length for all grades K to 5. Pennsbury’s school day is 20 minutes longer than Morrisville’s at the Kindergarten level, and it is 5 minutes longer for grades 1 to 5. Both school districts have the same length school day for the middle school grades, and Pennsbury’s high school day is ten minutes longer than Morrisville’s school day. As noted in the Transportation chapter, a potential merger or tuition agreement would need to consider aligning the bell times and school days for Pennsbury and Morrisville depending on the building configurations and transportation options.

**Bell Times and School Day Duration**

| Pennsbury     |      |        |              |             |
|---------------|------|--------|--------------|-------------|
|               | K    | 1 to 5 | Middle (6-8) | High (9-12) |
| Start Time    | 9:00 | 9:00   | 8:10         | 7:20        |
| Dismissal     | 3:40 | 3:40   | 2:55         | 2:15        |
| Length of Day | 6:40 | 6:40   | 6:45         | 6:55        |

| Morrisville   |      |        |                      |
|---------------|------|--------|----------------------|
|               | K    | 1 to 5 | Middle / Senior High |
| Start Time    | 8:25 | 8:25   | 7:45                 |
| Dismissal     | 2:45 | 3:00   | 2:30                 |
| Length of Day | 6:20 | 6:35   | 6:45                 |

Source: Bell time data provided by both school districts.



## Academic Indicators

### PSSA and Keystone Tests

Both districts report results on annual assessments that are administered to students across the Commonwealth. For students in grades 3-8, the Pennsylvania System of School Assessment (PSSA) examinations are administered in three different subjects: English Language Arts (ELA), Math, and Science. Students in Grade 11 take the Keystone examinations in slightly more specific subjects: Literature, Algebra I, and Biology. School-level data for these examinations is shown in Appendix C. In the body of this chapter, the data shown here are averages taken based on the school-level data.

The results from both the PSSA and Keystone examinations in the 2021-22 school year are shown in the table below for both Pennsbury and Morrisville. The data shows that Pennsbury students achieved higher rates of proficient or advanced scores than Morrisville's students at all grade levels. In addition, Pennsbury's students exceeds the Statewide averages for most subjects and grade levels.

#### Proficient or Advanced Assessment Scores<sup>11,12</sup> 2021-22 School Year

|                                    | ELA<br>Percent Proficient<br>or Advanced | Math<br>Percent Proficient<br>or Advanced | Science<br>Percent Proficient<br>or Advanced |
|------------------------------------|--|---|--|
| <b>Pennsbury School District</b>   |  |   |  |
| Elementary Schools (K-5)           | 69.7%                                    | 60.0%                                     | 84.7%  |
| Middle Schools (6-8)               | 70.0%                                    | 35.3%                                     | 60.7%  |
| High School (9-12)                 | 80.2%                                    | 84.9%                                     | 60.4%  |
| <b>Morrisville School District</b> |  |   |  |
| Grandview Elementary (K-2)         | N/A                                      | N/A                                       | N/A  |
| Intermediate School (3-5)          | 38.5%                                    | 22.7%                                     | 70.0%  |
| Middle / Senior High School (6-12) | 33.3%                                    | 7.1%                                      | 28.6%  |
| <b>Statewide Average</b>           | <b>54.1%</b>                             | <b>35.7%</b>                              | <b>54.4%</b>                                 |

Source: Pennsylvania Department of Education, Future Ready PA Index and State assessment reports.

Although the 2021-22 data is the most recent available, it is the only year of data reported for both districts after the impact of the COVID-19 pandemic on student learning. Based on data reported to PDE and shown in Appendix C, both districts experienced a decrease in performance on Statewide assessments during the pandemic, similar to many other school districts across the Commonwealth and the nation. While neither district's assessment scores have returned to pre-pandemic levels of achievement, the 2021-22 data does show general improvement from both districts over the prior school year's results. Despite these changes, Pennsbury's scores on assessments remain mostly above the Statewide average, while Morrisville's remain generally below the Statewide average.

<sup>11</sup> State averages include all test takers in grades 3-11. Proficiency for grades 3 through 8 is tested through the PSSAs, while high school data represents students' best score to date by 11<sup>th</sup> grade on the Keystone exams. All Pennsbury data in the table are averages of school-level data taken from the Future Ready PA Index at <https://futurereadypa.org/Search/District>

<sup>12</sup> As Grandview Elementary serves students only in grades K-2, there is no assessment data to report and Grandview is excluded from this chart.



## Attendance

The table below shows the average attendance across all buildings separated by grade level. Pennsbury reports an average regular attendance level of 92 percent, while Morrisville’s reported average regular attendance is 80 percent.

### Regular Attendance<sup>13</sup> 2021-22 School Year

| Regular Attendance                      |              |
|---|--------------|
| <b>Pennsbury School District</b>        |              |
| Elementary Level (K-5)                  | 95.1%        |
| Middle School Level (6-8)               | 96.7%        |
| High School Level (9-12)                | 84.2%        |
| <b>Pennsbury Districtwide Average</b>   | <b>92.0%</b> |
| <b>Morrisville School District</b>      |              |
| Elementary Level (K-5)                  | 80.6%        |
| Middle / High School Level              | 79.4%        |
| <b>Morrisville Districtwide Average</b> | <b>80.0%</b> |
| <b>Statewide Average</b>                | <b>82.2%</b> |

Source: Pennsylvania Department of Education, Future Ready PA Index.

## Graduation Rates

As shown in the table below, Pennsbury’s graduation rate was 93.4 percent for the four-year cohort and 97.0 percent for the five-year cohort. This is 6.7 percentage points higher than the Statewide average of 86.7 percent for the four-year cohort, and 7.2 percentage points higher than the Statewide average of 89.8 percent for the five-year cohort. Morrisville’s four-year graduation rate was 88.1 percent, which is 1.4 percentage points higher than the Statewide average and five-year cohort graduation rate was 88.5 percent, 1.3 percentage points lower than the Statewide average.

### Graduation Rates 2021-22 School Year

|   | Graduation Rates<br>Four-Year Cohort | Graduation Rates<br>Five-Year Cohort |
|---|--------------------------------------|--------------------------------------|
| Pennsbury High School                   | 93.4%                                | 97.0%                                |
| Morrisville Middle / Senior High School | 88.1%                                | 88.5%                                |
| <b>Statewide Average</b>                | <b>86.7%</b>                         | <b>89.8%</b>                         |

Source: Pennsylvania Department of Education, Future Ready PA Index.

## Post-Secondary Plans

As shown in the table below, students in Pennsbury and Morrisville pursue a variety of post-secondary plans upon completion of high school. The major differences in these plans across districts is in the

<sup>13</sup> As reported on the state’s Future Ready Index, regular attendance is the percentage of students enrolled in a school for 90 or more school days and present 90 percent or more of those school days. <https://futurereadyypa.org/home/glossary?accordion=open&definition=regular-attendance>



distribution of students attending a four-year college and those pursuing a technical program or work. In 2021-22, 75.4 percent of Pennsbury reported graduates planned to attend a two- or four-year college, while 45 percent of Morrisville students indicated those plans. In Morrisville, 45 percent of students indicated that they planned to enter the workforce or were undecided immediately after graduation; in Pennsbury, 22.8 percent selected that option. Finally, 10 percent of Morrisville's students planned to enroll in a technical program. Appendix C includes the historical distribution of post-secondary education plans in addition to the size of each district's graduating class since 2017.

### Reported Post-Secondary Plans

|                   | Pennsbury<br>2020-21 | Morrisville<br>2021-22 |
|-------------------|----------------------|------------------------|
| Four Year College | 57.2%                | 25.0%                  |
| Two Year College  | 18.2%                | 20.0%                  |
| Military          | 1.8%                 | 0.0%                   |
| Technical Program | N/A                  | 10.0%                  |
| Undecided/Work    | 22.8%                | 45.0%                  |

Source: Post-Secondary data provided by the school districts

### Staffing

Given the differences in enrollment and number of facilities, Pennsbury has a larger number of staff than does Morrisville. Based on information reported by the two school districts, Pennsbury employs 1,483 full-time (FT) and part-time (PT) staff, while Morrisville employs 128 staff. Compared to Morrisville, Pennsbury employs twelve times as many staff.

### Reported Staffing Counts 2022-23 School Year

| Employee Group | Description   | Pennsbury <sup>14</sup> | Morrisville |
|----------------|---|-------------------------|-------------|
| Administrators | Act 93 and other administrators   | 57                      | 12          |
| Professional   | Teachers, counselors, psychologists, and nurses                           | 870                     | 71          |
| Support Staff  | Paraprofessionals, personal care assistants, and school aides (FT and PT) | 245                     | 23          |
|                | Cleaners, custodians, and head custodians (FT and PT)                     | 91                      | 7           |
|                | Maintenance, trades, and grounds  | 28                      | 1           |
|                | Clerical (represented, exempt, and other staff)                           | 82.5                    | 8           |
|                | Drivers and other transportation staff                                    | 97                      | 3           |
|                | Registered nurses   | 7                       | 2           |
|                | Security <sup>15</sup>  | 5.5                     | 1           |
| <b>Total</b>   |   | <b>1,483</b>            | <b>128</b>  |

Source: Staffing data provided by both school districts.

In the table below, the staffing levels and enrollment levels in the 2022-23 school year are used to calculate student-to-staff ratios for both school districts. Both Pennsbury and Morrisville have a similar ratio of students to professional staff – these positions include classroom teachers and other positions represented by the teachers' unions, which can cover nurses, psychologists, special education teachers,

<sup>14</sup> Pennsbury School District's part-time support staff are counted as 0.5 full-time equivalent positions.

<sup>15</sup> Morrisville has one contracted security position.



and Math or Reading interventionists. Pennsbury has a smaller ratio of students to administrators and support staff given its larger size and related ability to achieve economies on duties assigned to staff.

### Student-to-Staff Ratios by Category 2022-23 School Year

|  | Pennsbury    | Morrisville |
|--|--------------|-------------|
| 2022-23 Student Enrollment                 | 9,673        | 830         |
| Administrators                             | 57           | 12          |
| <b>Student-to-Administrator Ratio</b>      | <b>169.7</b> | <b>69.2</b> |
| Professional Staff                         | 870          | 71          |
| <b>Student-to-Professional Staff Ratio</b> | <b>11.1</b>  | <b>11.7</b> |
| Support Staff                              | 556          | 45          |
| <b>Student-to-Support Staff Ratio</b>      | <b>17.4</b>  | <b>18.4</b> |

**Source:** Staffing and enrollment data provided by both school districts.

In the tables above, the professional staff counts include more than just the teachers in the classroom, so the student-to-staff ratios show a smaller number of students for each teacher than what may be observed in the school buildings. The table below shows the class size ratios for the two districts at the elementary, middle, and high school levels. Pennsbury's K-5 and 6-12 are based on its internal maximum class size targets. Pennsbury's teachers' contract states a goal to maintain an average of 28 students per class at all levels, and a maximum class size of 30 students. In Morrisville's the Board's Administrative Regulation Code 126 covers the recommended number of students for each grade level.

### Recommended Maximum Number of Students

|                         | Pennsbury         | Morrisville  |
|-------------------------|-------------------|--|
| Elementary School (K-5) | K-5: 24 students  | K: 25 students<br>1: 28 students<br>3-5: 30 students |
| Middle School (6-8)     | 6-8: 28 students  | 6-8: 28 to 30 students                               |
| High School (9-12)      | 9-12: 28 students | 9-12: 30 students                                    |

**Source:** Policy data provided by both school districts.

In practice, both Pennsbury and Morrisville strive to maintain class sizes below the recommended maximum number of students. Based on information reported to the study team, Pennsbury's class sizes are 24 students on average. Morrisville an average of 25 to 26 students per class at the K-8 level, and an average of 23 to 24 students in grades 9 through 12. Both Pennsbury and Morrisville utilize a co-teaching structure in some classrooms to support special education students, so while the number of students per classroom is similar to non-co-taught courses, student-to-staff ratios are smaller. There are some courses in both districts that have smaller enrolment, such as electives or learning support classrooms.

## Professional Salaries (Teachers)

As noted in the Baseline Financial Projections chapter, Pennsbury and Morrisville have contracts with bargaining units that represent the three main categories of employees: professional staff, support staff, and administrators. Teachers comprise the largest group of employees in a school district, and the tables below show the full salary schedules for the 2022-23 school year.



**Pennsbury School District  
2022-23 Professional Salary Schedule<sup>16</sup>**

| Step               | Inductee | Instructor I | Instructor II | Professional Educator I | Professional Educator II | Advanced Professional Educator |
|--------------------|----------|--------------|---------------|-------------------------|--------------------------|--------------------------------|
| Hired After 7/1/06 | B        | B+15         | B+30 / M      | M+10                    | M+20                     | M+30                           |
| 0                  | \$53,228 | \$55,102     | \$57,737      | \$59,614                | \$61,489                 | \$63,710                       |
| 1                  | \$55,630 | \$57,603     | \$60,377      | \$62,352                | \$64,325                 | \$66,664                       |
| 2                  | \$56,945 | \$58,884     | \$61,607      | \$63,956                | \$65,904                 | \$68,220                       |
| 3                  | \$58,561 | \$60,498     | \$63,205      | \$65,925                | \$67,857                 | \$70,552                       |
| 4                  | \$60,499 | \$62,429     | \$65,530      | \$68,242                | \$70,166                 | \$73,286                       |
| 5                  | \$62,317 | \$64,361     | \$67,855      | \$70,957                | \$72,879                 | \$76,004                       |
| 6                  |          | \$66,431     | \$69,871      | \$73,338                | \$75,242                 | \$78,735                       |
| 7                  |          | \$69,227     | \$73,054      | \$76,512                | \$78,428                 | \$82,317                       |
| 8                  |          | \$70,791     | \$74,810      | \$78,271                | \$80,376                 | \$84,470                       |
| 9                  |          | \$72,355     | \$76,567      | \$80,029                | \$82,322                 | \$86,622                       |
| 10                 |          | \$74,191     | \$79,211      | \$82,606                | \$84,977                 | \$89,648                       |
| 11                 |          | \$75,863     | \$81,856      | \$85,182                | \$87,633                 | \$92,674                       |
| 12                 |          | \$77,863     | \$84,500      | \$87,759                | \$90,288                 | \$95,700                       |
| 13                 |          |              | \$87,145      | \$90,336                | \$92,944                 | \$98,726                       |
| 14                 |          |              | \$89,789      | \$92,913                | \$95,599                 | \$101,752                      |
| 15                 |          |              | \$92,434      | \$95,489                | \$98,255                 | \$104,778                      |
| 16                 |          |              | \$95,078      | \$98,066                | \$100,910                | \$107,804                      |

Source: Professional contract provided by Pennsbury School District.

**Morrisville School District  
2022-23 Professional Salary Schedule<sup>16</sup>**

| Step | B        | B+15     | M        | M+15     | M+30      |
|------|----------|----------|----------|----------|-----------|
| 0    | \$48,920 | \$50,824 | \$53,149 | \$56,262 | \$61,265  |
| 1    | \$49,787 | \$51,730 | \$54,103 | \$57,279 | \$62,384  |
| 2    | \$50,932 | \$52,943 | \$55,399 | \$58,693 | \$63,992  |
| 3    | \$52,675 | \$54,780 | \$57,352 | \$60,743 | \$66,268  |
| 4    | \$54,690 | \$56,854 | \$59,543 | \$63,167 | \$68,834  |
| 5    | \$56,870 | \$59,132 | \$61,920 | \$65,558 | \$71,614  |
| 6    | \$59,353 | \$61,679 | \$64,609 | \$68,474 | \$74,747  |
| 7    | \$62,372 | \$64,804 | \$67,757 | \$71,876 | \$78,410  |
| 8    | \$65,544 | \$68,061 | \$71,164 | \$75,549 | \$82,210  |
| 9    | \$68,440 | \$71,083 | \$74,340 | \$78,882 | \$86,367  |
| 10   | \$71,106 | \$73,854 | \$77,120 | \$81,813 | \$90,620  |
| 11   | \$74,767 | \$77,810 | \$82,079 | \$87,004 | \$95,444  |
| 12   | \$80,287 | \$83,820 | \$88,096 | \$92,730 | \$101,883 |
| 13   | \$86,442 | \$89,975 | \$94,251 | \$98,885 | \$108,038 |

Source: Professional contract provided by Morrisville School District.

<sup>16</sup> In the salary schedules, Bachelor's Degree is shown as B and Master's Degree is shown as M. Additional credits beyond the degree are shown as +10, +15, +20, or +30, which represents additional coursework completed and recognized for annual salaries.



Some caveats are necessary in comparing the top step salaries for each of the columns in Pennsbury's salary schedule to the equivalent amounts in Morrisville. As shown in the tables above, Pennsbury has far fewer steps than Morrisville for the columns with a Bachelor's Degree and Bachelor's Degree with 15 additional credits. Pennsbury's schedule recognizes movement across the columns as teachers complete additional coursework after a Bachelor's Degree, and achieve the Instructor Level II certificate from the Department of Education. Therefore, there is an assumption in Pennsbury's salary schedule that staff will continue to move to the right on the schedule as they accumulate additional credentials, and down the schedule as years of experience are recognized with step movement. Given this structure, the top step analysis will focus on the Instructor II (Bachelor's + 30 / Master's Degree) column in Pennsbury, and the Master's degree column in Morrisville since these are the most equivalent ranges in the two salary schedules. Additional analysis will be provided for the Master's Degree + 30 column, since this column is found in both school districts. A general analysis of starting salaries will be used for remaining columns since the structure of salary schedules is not completely aligned for a comparison

**Professional Staff Salary Comparison  
2022-23 School Year**

|                                    | Bachelor's Degree | Bachelor's Degree +15 Credits | Master's Degree | Master's Degree + 10 Credits | Master's Degree + 20 Credits | Master's Degree + 30 Credits |
|------------------------------------|-------------------|-------------------------------|-----------------|------------------------------|------------------------------|------------------------------|
| <b>Pennsbury School District</b>   |                   |                               |                 |                              |                              |                              |
| Starting Salary (Step 0)           | \$53,228          | \$55,102                      | \$57,737        | \$59,614                     | \$61,489                     | \$63,710                     |
| Highest Possible Salary            | \$62,317          | \$77,863                      | \$95,078        | \$98,066                     | \$100,910                    | \$107,804                    |
| <b>Morrisville School District</b> |                   |                               |                 |                              |                              |                              |
| Starting Salary (Step 0)           | \$48,920          | \$50,824                      | \$53,149        | \$56,262                     |                              | \$61,265                     |
| Highest Possible Salary            | \$86,442          | \$89,975                      | \$94,251        | \$98,885                     |                              | \$108,038                    |

**Source:** Teacher contracts provided by both school districts.

In Pennsbury's Bachelor's + 30 / Master's Degree column, teachers in Pennsbury have a starting salary that is \$4,588 higher than the Master's Degree column in Morrisville. Teachers in Pennsbury have sixteen steps until they reach the highest salary in this column, and teachers in Morrisville have thirteen steps until they reach the highest salary. Top step teachers in Pennsbury's Bachelor's + 30 / Master's Degree column have a salary that is \$827 higher than the equivalent in Morrisville.

For the Master's Degree + 30 column, Pennsbury's starting salary is \$2,445 higher than Morrisville's starting salary. Morrisville's top step in this column is \$234 higher than Pennsbury's top step, although the difference is 0.2 percent.

Across all starting steps, Pennsbury has a higher beginning salary than Morrisville. At the top step for equivalent columns, Pennsbury has a higher salary for the Master's Degree, and a slightly lower salary for a Master's Degree with 30 additional credits.

According to Morrisville's staffing data provided for the current 2022-23 school year, 62 percent of professional staff fall into the most educated level (Master's degree + 30 credits), and 35 percent of the same staff are at the maximum (step 13). This means that one-third of Morrisville's professional staff are currently at the highest possible position on the step schedule. As a result, as shown in the next table, the average teacher salary across all teachers in each district is higher for Morrisville than Pennsbury. Since starting and ending salaries are generally higher on Pennsbury's salary schedule, this indicates that Pennsbury's teachers are on lower steps of the schedule. For Morrisville, this indicates that its



teachers are relatively long-tenured with the school district and have accumulated enough years of experience and additional credentials to be placed on the bottom right section of the salary schedule.

**Average Teacher Salaries  
2021-22 School Year<sup>17</sup>**

| Average Teacher Salary |          |
|------------------------|----------|
| Pennsbury              | \$78,353 |
| Morrisville            | \$82,274 |

**Source:** Pennsylvania Department of Education, Professional Personnel Individual Staff Report.

In a merger scenario, Pennsbury would need to renegotiate the salary and benefits in its contract for the staff that may be brought over from Morrisville. The details of the costing impacts and assumptions are described in further detail in the Scenario Financial Projections chapter. Given the differences in the structure of the salary schedules between the two districts, the study team made some high-level assumptions about how the salaries for Morrisville’s teachers would be recognized under Pennsbury’s contract. These assumptions include ensuring no staff receive a reduction in salary, and moving Morrisville’s staff to the nearest salary level on Pennsbury’s schedule. Generally, this analysis showed that all of Morrisville’s teachers would receive a raise under Pennsbury’s salary schedule, with the greatest increases accruing to teachers on the lower steps of Morrisville’s schedule.

## Curriculum and Programs

Both districts utilize different curriculum across all grade levels, and Appendix C summarizes the curriculum and courses offered in both districts. Pennsbury has an established curriculum renewal cycle where five different subjects are reviewed each year within a five-year cycle, resulting in all curricular areas being reviewed once every five years. Based on information provided by Pennsbury, the school district regularly includes funding for curriculum revisions, updates to classroom materials, and replacement of technology. For example, Pennsbury’s administration prepared a budget in the 2021-22 school year with costs for the technology replacement plan, which was used as one of the pieces of financial information used to prepare the ten-year financial projections for this study.

Morrisville does not have a formal review cycle established, and it is currently in the process of reviewing its curriculum. Morrisville’s Math curriculum was written in the 2021-22 school year and the English Language Arts curriculum is expected to be written in the current 2022-23 school year. Science and Social Studies will be reviewed by 2025-26.

Morrisville is also taking steps to improve student access to educational equipment and technology; in prior school years, Morrisville had provided laptops and other classroom materials to students through a combination of donations and grant purchases. Morrisville plans to replace student laptops for 300 students each year, and to renew its textbook licensing annually. However, these funds are not currently included in the adopted 2022-23 budget. As noted in the Baseline Financial Projections chapter, the ten-year financial projections have included funds for technology and classroom materials updates to ensure that funds are available for these improvements. Since curriculum development is typically completed by teachers at hourly rates during the summer months, the study assumes that the annually budgeted costs of summer curriculum development would be sufficient for this ongoing review and update cycle.

<sup>17</sup> Data represents full-time teachers.



## Pre-Kindergarten

Pennsbury receives a Pre-K Counts grant from the State, which is used to cover the costs of teachers supplies, and partner organizations. Programs staffed with Pennsbury teachers are offered in the Manor, Walt Disney, and Penn Valley elementary schools. Additional classes are available at the Morrisville YMCA, which is staffed and operated by the organization. Families must meet certain criteria in order to apply for the program, which includes income guidelines.

In Morrisville, the school district does not receive grant funding to operate pre-Kindergarten programs. Based on information provided to the study team, pre-Kindergarten and day care services are provided by a mixture of for-profit and non-profit providers throughout the borough. As noted in the Facilities chapter, Morrisville has partnered with organizations in the past to lease space in its closed elementary schools to run pre-Kindergarten programs.

## Elementary School

At the elementary level (K-5), both districts have very similar core curricula, focusing on English Language Arts, Math, Science and Social Studies, and Writing.<sup>18</sup> Both districts offer specials to elementary school students which include Library, Art, Physical Education, and Music. Pennsbury offers an additional elementary elective called Spark, which is programming focused on team building, collaboration, and problem-solving.

## Middle School

Students in grades 6-8 at both districts also take similar core courses focused on English Language Arts, Math, Science and Social Studies. Morrisville students in the middle school grades have a traditional eight-period day, although has instituted a double block for English Language Arts.<sup>19</sup> Students are organized into ability groupings as class size allows, with an honors classroom and general classroom. If a third classroom is necessary, students may be further ability grouped so that one classroom has additional supports as needed. Morrisville also allows some 8<sup>th</sup> grade students to participate in high school level courses, as determined by teacher recommendation. This is aided by the fact that the middle school is located in the same building as the high school.

At Pennsbury, middle school classes operate on a block schedule. For 6<sup>th</sup> and 7<sup>th</sup> grade students, English Language Arts and Math blocks are year-long courses, and Science and Social Studies rotate each marking period. For 8<sup>th</sup> grade students, the standard English/Language Arts block is split with a foreign language course throughout the year. Advanced students are allowed to pursue courses in the grade level above.

Pennsbury's middle school specials include Family Consumer Science, Art, Music, Information Technology, and Physical Education/ Health or Ignite, which is made up of four different Science, Technology, Engineering, and Math (STEM) labs. Specials in Morrisville include Art, Library (6<sup>th</sup> grade), Technology Education (7<sup>th</sup> and 8<sup>th</sup> grade), Music, and Physical Education/Wellness. Depending on the grade levels, electives either rotate on a monthly or quarterly basis. For some of Pennsbury's 8<sup>th</sup> grade students, there are semester-based specials in STEM, Technology, Business, among others.

Students in Pennsbury are given opportunities to participate in Teams and Tower programs, designed to help foster connections across students at the middle school grade levels. The Tower program is for

---

<sup>19</sup> Based on information provided by Morrisville, in prior years the school district has used a block schedule for courses.



students across all grades who are assigned to a teacher and meet together regularly. The focus is social-emotional learning, positive behavior supports, and building connections across grade levels. In the Teams program, students in the same grade level are assigned to a team and have the same teachers for all subjects.

At Morrisville, due to its relatively smaller size, many of these supports are already in place. Morrisville reports using a team approach where students move through core classes together. In addition, some students can have the same teacher for several years; this unofficial “looping” can offer advantages to students academically. Morrisville also has an advisory period for students in grades 6 through 8.

### High School

At the high school level, both districts have the same core curriculum structure of English, Social Studies, Math, and Science, with minor differences in schedule sequencing. Pennsbury also operates a block schedule for the high school grades, while Morrisville operates a standard eight-period day. The block schedule at the high school level in Pennsbury includes all courses (core and electives), in addition to unique programming days. Twice weekly, Pennsbury students have special periods for academic support (Falcon period) and administrative or advisory support (Nest). Every other week an activity period replaces the Nest period, and every month there is one extended Falcon period.

Both districts offer a mix of honors and non-honors (academic) courses, although Pennsbury has more options for students.<sup>20</sup> Based on data shared with the study team, Pennsbury offers 131 electives to students at the high school level, while Morrisville offers 65 electives to students. The following table provides the breakdown of elective courses offered at the high school level across both districts.

#### High School Electives

|                             | Pennsbury  | Morrisville |
|-----------------------------|------------|-------------|
| English                     | 8          | 7           |
| Math                        | 4          | 1           |
| Science                     | 5          | 1           |
| Social Studies              | 12         | 9           |
| Foreign Languages           | 17         | 10          |
| Art                         | 19         | 9           |
| Business Education          | 14         | 14          |
| Technology Education        | 18         | 7           |
| Music                       | 12         | 7           |
| Family and Consumer Science | 17         | 0           |
| Computer Science            | 5          | 0           |
| <b>Total</b>                | <b>131</b> | <b>65</b>   |

Source: Program of studies provided by both districts.

At Pennsbury, the electives that run every year are largely determined by student choice, while Morrisville offers electives based on the capacity of the high school schedule. Even if enrollment is low in a certain elective course, Pennsbury makes every effort to run the smaller section and incorporate the course into the schedule, which may include combining classrooms.

<sup>20</sup> A more complete listing of curriculum by grade level and courses may be found in Appendix C.



Pennsbury also offers significantly more Advanced Placement (AP) courses than Morrisville. Based on information provided by the administration, Pennsbury is running 24 different AP course offerings in 2022-23, while Morrisville has historically offered AP Calculus as its sole Advanced Placement course. In interviews with the administration, Morrisville stated that it is considering offering additional AP courses.

Both districts require 27 total credits for graduation, with the same number of credits across the core content areas. Both districts also require similar numbers of electives; however, Morrisville requires that 1 elective credit is comprised of 0.5 credits for career preparation and 0.5 credits for service learning (starting in the 2022-23 year.)

### Credit Requirements

|                                      | Pennsbury | Morrisville     |
|--------------------------------------|-----------|-----------------|
| English                              | 4         | 4               |
| Math                                 | 4         | 4               |
| Social Studies                       | 4         | 4               |
| Science                              | 4         | 4               |
| Wellness                             | 2         | 2               |
| Arts or Humanities                   | 2         | 2               |
| Electives                            | 7         | 7 <sup>21</sup> |
| <b>Total Graduation Requirements</b> | <b>27</b> | <b>27</b>       |

Source: Program of studies provided by both districts.

Both districts have very similar requirements for students to progress into higher grade levels. In order to be considered a sophomore, Pennsbury requires 6.5 accumulated credits, while Morrisville requires 6. At the junior level, both districts require 13 accumulated credits. Lastly, Pennsbury requires students to have had taken 19.5 credits to be a senior, whereas Morrisville requires 20 credits.

For students who are not on track to meet these credit requirements, both districts offer summer school for credit recovery in the four core subject areas. Pennsbury can refer students that are deficient for promotion to the Village Park Academy, which offers credit recovery options. Pennsbury also offers limited credit recovery in summer school or after school programs. In addition to the four core courses, Morrisville offers some electives over the summer. Pennsbury offers half credit courses in Physical Education and Health in the summer session.

### Concurrent/Dual Enrollment and Vocational School

Both districts offer concurrent enrollment in college during a student's senior year, which can count towards high school credit requirements. Both schools offer the opportunity to student to attend courses through Bucks County Community College (BCCC). Pennsbury also offers dual enrollment with Gwynedd Mercy University and is exploring plans to expand to other colleges in the near future.

Both districts partner with the Bucks County Technical High School (BCTHS) which is an all-day, comprehensive program with transportation provided. Pennsbury also offers additional options for students including the STEM Academy or the Air Force Junior Reserve Officers' Training Corp (JROTC) Program. If students at Pennsbury do not choose the BCTHS, STEM Academy, or JROTC, they will choose one of five different Falcon Pathways:<sup>22</sup> Arts & Communications, Human Services, Science &

<sup>21</sup> Morrisville requires 0.5 credits in career preparation. Starting in the 2022-23 school year, all graduating seniors are required to take a half-year pass/fail 0.5 credit service learning course focused on community service.

<sup>22</sup> From page 11 of Pennsbury's Program of Studies, which describes the Falcon Pathways course selection structure.



Health, Business & Information Systems, or Engineering & Industrial Technology. Morrisville is working on developing a similar pathways program within its high school.

### Special Education

In the 2021-22 report from the Department of Education, 22.7 percent of students in Pennsbury and 20.0 percent of students in Morrisville have exceptionalities. Both school districts are above the Statewide average of 18.6 percent. Both districts have seen their overall percentages of special education students increase in recent years, due to an increase in identifications and a decrease in total enrollment.

In addition, both districts have similar percentages of identifications by exceptionality. The most frequent special education identification is Specific Learning Disability across both districts, with other health impairment, autism, and speech or language impairment representing significant percentages of other student identifications.

#### Special Education Students and Identifications 2021-22 School Year

|                                    | Pennsbury    | Morrisville       |
|------------------------------------|--------------|-------------------|
| Total Enrollment <sup>23</sup>     | 10,025       | 877               |
| Total Special Education Enrollment | 2,278        | 175               |
| <b>Percent Special Education</b>   | <b>22.7%</b> | <b>20.0%</b>      |
| <b>Identifications</b>             |              |                   |
| Specific Learning Disability       | 37.7%        | 40.6%             |
| Other Health Impairment            | 19.4%        | 17.7%             |
| Autism                             | 14.6%        | 13.1%             |
| Speech or Language Impairment      | 13.8%        | 11.4%             |
| Emotional Disturbance              | 8.9%         | 10.9%             |
| Intellectual Disability            | 3.9%         | N/A <sup>24</sup> |
| Multiple Disabilities              | 0.6%         | N/A               |

Source: Pennsylvania Department of Education, Special Education Data Report.

Both districts have special education departments led by a Director of Special Education. Classrooms are supported by paraprofessionals who provide services to students, as well as psychologists, social workers, and behavior specialists. Special education staffing counts for the two districts are shown in the table below.

#### Special Education Staffing

|                                     | Pennsbury | Morrisville |
|-------------------------------------|-----------|-------------|
| Special Education Teachers          | 155       | 15          |
| Special Education Paraprofessionals | 192       | 25          |
| Transition Coordinator              | 1         | 1           |
| School Psychologists                | 16        | 2           |
| Social Workers                      | 7         | 0           |

<sup>23</sup> Total Enrollment includes out-of-district placements.

<sup>24</sup> Intellectual Disability and Multiple Disabilities are shown as N/A because no data was reported for Morrisville SD in the 2021-22 school year. Based on the Department of Education's reporting policies, the information may not be included if enrollment is less than 10 students.



|   | Pennsbury    | Morrisville |
|---|--------------|-------------|
| Behavior Specialists                        | 5            | 0           |
| Guidance Counselors                         | 32.5         | 3           |
| Special Education Supervisors               | 7            | 0           |
| Director of Special Education <sup>25</sup> | 1            | 1           |
| <b>Total</b>                                | <b>416.5</b> | <b>47</b>   |

**Source:** Comprehensive plans and staffing counts provided by the school districts

In addition to their in-house staff, both districts contract for both full-time and part-time support for special education students through the Bucks County Intermediate Unit (BCIU or IU). Morrisville reports that it contracts with the IU for part-time support in speech and language therapy, occupational therapy, a physical therapist, and a behavior analyst, with one additional behavior analyst contracted through a different provider. Pennsbury also contracts with the IU for speech therapy, occupational and physical therapy, hearing and audiology testing, a complex psychological needs psychiatrist, and additional school psychologists in the event of an absence in-district. Both districts have also worked with Lakeside Academy for contracted counseling support and mental health screening.

Both districts reported that they are working to expand their support capabilities to be able to reduce the reliance on outside service providers. Currently, Pennsbury reports that 53 students, or 2 percent of its special education population, receive support outside of the school district through tuition placements. A further 21 students are served through a contract with BCIU.<sup>26</sup> Pennsbury reports that it has been able to successfully transition students back to programs operated in its schools due to increased support systems. In addition, Pennsbury credited the use of Village Park Academy as part of this strategy, since the program is intended for students in need of intense emotional supports, school-avoidant students, and court-ordered placements. Pennsbury is also currently engaged in implementation of the multi-tiered system of support (MTSS) program across all grade levels.

Morrisville reported that approximately 34 students, or 19 percent of its special education population, are currently in out-of-district placements with other providers. Morrisville also uses the MTSS model, and it recently adopted intensive learning support (ILS) programming for students in grades 6 through 8. The new ILS curriculum includes programming for Reading mastery and connecting Math concepts, for which four teachers were trained to teach prior to in the 2022-23 school year. Morrisville predominantly uses a co-teaching model, where students with special education identifications are supported in the classroom alongside their peers. Students are supported by an additional teacher, and students receive additional services in pull-out sessions for Reading or Math. Pennsbury also uses ILS curriculum as well as co-teaching, notably in all four core courses at the high school level. Elementary supports do exist at Pennsbury; however it is reported to be less formal than co-teaching.

### **Extracurricular Activities**

Pennsbury offers a vast list of extracurricular opportunities for its students including athletics, clubs, intramurals, and others at both the high school and middle school levels. Morrisville offers extracurricular programs in the same categories; however, the number of options for students is significantly more limited, particularly for students in grade 6, since most interscholastic sports competitions begin in grades 7 and 8.

<sup>25</sup> Morrisville's Director of Special Education is titled as Special Education Supervisor but is listed here as the Director since it is the most equivalent title to the position in Pennsbury.

<sup>26</sup> Pennsbury reports that it previously had 84 students in out-of-district placements in the 2021-22 school year.



The following table offers a select list of extracurricular activities that both districts offer at the high school level, and additional detail can be found in Appendix C.

### Key High School Extracurricular Activities

|                           | Pennsbury   | Morrisville  |
|---------------------------|---|--|
| Clubs                     | Future Business Leaders of America, Literary Magazine, Newspaper “The Voice”, Pennsbury Science Discovery Club, Student Council | 21 <sup>st</sup> Century Learning Center Clubs/Activities, Yearbook, Student Government, Future Business Leaders of America, Newspaper |
| Sports                    | Baseball, Basketball, Cross Country, Bowling, Lacrosse, Soccer, Swimming, Softball, Volleyball, Tennis, Field Hockey, Football  | Field Hockey, Soccer, Football, Cheerleading, Basketball, Bowling, Baseball, Softball  |
| Music/Dance               | Marching Band, Chamber Choir, Drama Club, Dance Team, Annual School Musical   | Marching Band, Drama, Chorus, Concert/Jazz Band  |
| Honor Society             | National Business Honor Society, National Society of Black Engineers, National Honor Society                                    | National Honor Society   |
| Philanthropy/Volunteering | Best Buddies, Mini-THON, Operation Smile Club, PHS Abundance Club, Soles4Souls  |  |

**Source:** Program of studies provided by the school districts.

Pennsbury partners with the Kids Care program to offer space for afterschool activities at some of its buildings. Kids Care is a separate entity from the school district, and it handles all enrollment and payments for the program. In a merger or tuition scenario, the study team assumes that Morrisville’s students would have the same access to these programs, and that the costs of attending the programs could be covered by parents or grant sources.

Morrisville receives a federal grant to offer the 21<sup>st</sup> Century Community Learning Center program, which is noted in the table above. This provides enrichment, tutoring, and other support services for at-risk students, and Morrisville has used it to offer programs at the elementary and middle school level. Under a merger, the study team assumes that Pennsbury would continue to receive the 21<sup>st</sup> Century grant to support the programs. When the grant ends, the study assumes that Pennsbury would seek other grants to continue offering the programs to Morrisville’s students.

## Merger and Tuition Impacts: Staffing Levels

### Morrisville’s Staff

Under a merger or tuition agreement, the study assumes that many of Morrisville’s current positions would no longer be needed if there is sufficient capacity to accommodate students in Pennsbury’s classrooms. As discussed in the Enrollment chapter, the study team’s analysis of average class sizes at the elementary, middle, and high schools showed some capacity to add Morrisville’s students which could be accommodated with some teachers to maintain class sizes. The marginal impacts in this scenario are



much smaller than if Pennsbury added all of Morrisville's current staff to open new sections of courses. The same concepts apply to all instructional, administrative, and support positions, and these impacts are discussed in the relevant chapters of the report. Further discussion of the marginal staff added in each of the three scenarios is included below.

Although the study assumes that there would be a need for fewer teachers in Morrisville regardless of scenario, there are options that Pennsbury could consider to lessen the impact on Morrisville's staff. As discussed in the Governance chapter, Wilkesburg closed its high school and entered into a tuition agreement with nearby Pittsburgh for grades 7 to 12. In the transition, Pittsburgh interviewed Wilkesburg's staff for positions at the high school where Wilkesburg's students would enroll.

Efforts should be made to clarify transition plans for staff early and often, including positions that may be transitioning to Pennsbury and those that remain at Morrisville. A potential merger or tuition agreement may make Morrisville a less desirable option for prospective candidates to fill vacancies and may encourage Morrisville's staff to look for other positions. Given the current national teacher shortage, qualified staff will be able to find new positions easily in Pennsbury or other school districts. In either a merger or tuition agreement, Pennsbury could offer interviews to Morrisville's staff for new positions that would be required in the transition, or openings that may occur due to retirements and turnover. As noted in the Baseline Financial Projections chapter, Pennsbury hires approximately 30 new teachers each year, which would create an additional pool of potential job opportunities for Morrisville's staff. Since a merger or tuition agreement would likely take several years of planning before beginning, there may also be enough time to manage staffing levels through retirements and holding positions to avoid using furloughs or other strategies to reduce staff. Regardless of these opportunities to manage the transition of positions that are eliminated, the study assumes that a full year of unemployment insurance will be necessary.

The study team assumes that for any new positions that Pennsbury will add, that preference should be given to Morrisville staff, including for instructional staff, administrative, or support positions. All positions would be hired with salaries based on the Pennsbury salary schedule, with appropriate placement based on current salary levels or hourly rates. These assumptions are described further in the Scenario Financial Projections chapter and Appendix D.

Although it was necessary for the study team to make assumptions regarding the number of positions required in a merger or transition scenario, course selection and total student enrollment will determine the actual numbers of staff required.

### **Professional Staffing Levels**

In order to evaluate capacity within Pennsbury's classrooms, the study team reviewed enrollment and class size information provided by the administration for the elementary, middle, and high schools. The analysis used Pennsbury's enrollment in their current sections and courses, and Morrisville's students were added to the counts at the equivalent grade level. The overall trends described in the Enrollment chapter of this study were incorporated. Based on this analysis, it appeared that there was seat capacity in most of Pennsbury's elementary schools and many current Pennsbury core subject area classes at the middle and high school level. The study team concluded that there was sufficient capacity to add Morrisville's students without exceeding stated class size maximums with a few exceptions. The following analysis summarizes the approach for the merger scenario; a similar approach was used to evaluate the staffing impacts of the two tuition scenarios. Additional details for the assumptions used in all scenarios are included in Appendix D.

In the merger scenario, the study assumes that the K-2 Grandview Elementary School in Morrisville would remain open, and students in grades 3 to 12 would be educated in Pennsbury's elementary, middle, and



high schools. In the table below the necessary additional staffing levels at each of the grade configurations are shown.

**Pennsbury School District  
Additional Professional Staffing Levels  
Scenario 1: Merger**

|  | 2024-25   | 2025-26   | 2026-27   | 2027-28   | 2028-29   | 2029-30   | 2030-31   | 2031-32   | 2032-33   |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Elementary Level (Grades K to 2)</b>                          |           |           |           |           |           |           |           |           |           |
| Classroom teachers, support professionals, and special education | 20        | 20        | 21        | 22        | 23        | 23        | 23        | 23        | 23        |
| <b>Elementary Level (Grades 3 to 5)</b>                          |           |           |           |           |           |           |           |           |           |
| Classroom teachers   | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| Classroom support specialists                                    | 6         | 6         | 6         | 6         | 6         | 3         | 3         | 3         | 3         |
| Special Education  | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| <b>Elementary Subtotal</b>                                       | <b>9</b>  | <b>9</b>  | <b>9</b>  | <b>9</b>  | <b>9</b>  | <b>6</b>  | <b>6</b>  | <b>6</b>  | <b>6</b>  |
| <b>Secondary Level (Grades 6-12)</b>                             |           |           |           |           |           |           |           |           |           |
| High School - Math, Science, Social Studies                      | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         |
| Remediation Teachers - Math, ELA, and Science                    | 12        | 12        | 12        | 12        | 12        | 6         | 6         | 6         | 6         |
| Guidance counselors  | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| Middle School - Math   | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| ESL teachers   | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| Special Education  | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         |
| <b>Secondary Subtotal</b>  | <b>31</b> | <b>31</b> | <b>31</b> | <b>31</b> | <b>31</b> | <b>25</b> | <b>25</b> | <b>25</b> | <b>25</b> |
| <b>Total Professional Staff</b>                                  | <b>60</b> | <b>60</b> | <b>61</b> | <b>62</b> | <b>63</b> | <b>54</b> | <b>54</b> | <b>54</b> | <b>54</b> |

**Elementary School Level**

At Grandview Elementary School, the study assumes that Pennsbury would provide staffing levels similar to those at its current elementary schools. Using the enrollment and staff assignments discussed earlier in this chapter, Pennsbury has an average of 11.1 students for each professional staff member at its schools. This student-to-teacher ratio is used with the student counts from the Enrollment chapter to estimate the staffing needs at Grandview. Since this ratio includes all of Pennsbury’s professional staff, the figures include classroom teachers, psychologists, special education teachers, English as a Second Language (ESL) teachers, and other support specialists.

For grades 3 to 5, the study assumes that Morrisville’s students would receive transportation to Pennsbury’s elementary schools. Since the study assumes that Morrisville’s students would be assigned across all three of Pennsbury’s middle schools, the students in grades 3 to 5 would also likely be enrolled in schools based on the catchment areas for the middle schools. In the 2022-23 school year, Morrisville has a large first grade class, and the study assumes that Pennsbury would add a teacher to open a new section for this group.



Although the capacity analysis suggests that Pennsbury can absorb students from Morrisville with minimal impact on overall staffing, additional instructional and support positions will be required to assist with the transition, to keep classroom sizes at desired ratios, and to ensure all students are provided sufficient supports. Simply filling sections to capacity will not likely address the achievement differences noted in assessment data and overall student performance between the districts. When measured by the Future Ready PA Index, students in Morrisville are significantly below the Statewide average in Reading, Math, and Science. Providing additional instructional positions would allow the students to be taught in smaller groups and more innovative ways. In order to provide additional supports for Morrisville's students the study assumes that two specialists are added for each tested subject area (English Language Arts, Math, and Science). Over time it is assumed that Morrisville's students would achieve at similar levels as their peers in Pennsbury; the specialist positions are reduced by 50 percent in 2029-30, the sixth year after the merger is assumed to take place.

The impact on special education teachers is addressed later in this section.

### **Middle School Level**

As noted above, the study assumes that Morrisville's students would attend all three of Pennsbury's middle schools. The schedule analysis showed open seat capacity at the middle school level for English Language Arts and Math courses, which could accommodate Morrisville's students without exceeding Pennsbury's class size guidelines.

In a merger scenario, careful attention will need to be given to how the Morrisville students are distributed over the three schools in terms of class assignments. For example, William Penn Middle School showed greater capacity in English Language Arts courses for grades 6 through 8 in the study team's analysis than either the Charles H. Boehm or Pennwood middle schools. Since the merger is assumed to take place two years after the current 2022-23 school year, the study assumes that Pennsbury continues to experience gradual decreases in enrollment based on the trends of the past several years, which may alleviate some of these pressures. Since Math courses appeared to have less capacity than other subject areas, the study assumes that Pennsbury would add an additional teacher to open new sections.

Similar to the elementary level, the study assumes that remediation teachers would be added to support student achievement with two teachers per tested subject area (English Language Arts, Math, and Science) at the middle schools. Special education teachers and other professional support staff are addressed later in this section.

### **High School Level**

The study team's analysis of English classes for grades 9-12 also showed that Pennsbury could accommodate the current Morrisville students without exceeding average size class guidelines. In the study team's analysis, the average number of students per section with the additional Morrisville students ranged from 21 to 25 students depending on the subject area and grade level. The analysis revealed limited capacity in honors courses; however, it is assumed that over time Pennsbury would be able to accommodate these students given its gradual decreases in enrollment as noted in the Enrollment chapter.

The analysis for Math courses was complicated by the variety of offerings at the high school level.<sup>27</sup> The seat capacity analysis showed that most courses and sections have capacity; however, Pennsbury offers

---

<sup>27</sup> At the high school level Pennsbury students can take the following courses: Geometry, Applied Geometry, Honors Geometry, Algebra 1, Algebra IA, Algebra IB, Honors Algebra, Algebra 2, Applied Algebra 2, Honors Algebra 2, Precalculus & Discrete Math,



fewer sections than for English courses due to the number of options offered. Average class sizes for Math also have greater variation than English Language Arts; some Algebra sections would range from 8 students to almost 30 students with the addition of Morrisville students, and some Geometry courses show similar average class size ranges that would exceed the desired class size guidelines. To address this the study assumes that an additional Math teacher would be hired to open new sections.

For Science courses, the analysis also showed that Pennsbury would have limited capacity with Morrisville students, and that some courses may exceed the class size guidelines, including Biology, Chemistry, Honors Physics, Honors Physical Science, and Environmental Science. Depending on teacher certifications, it is likely that two additional Science teachers would be needed. For Social Studies, both Modern U.S. & World History (including honors) would be over the class size capacity without the addition of one teacher. In total, the study assumes that four teachers would be added across Math, Science, and Social Studies courses at the high school.

Impacts to class sizes in high school electives depend on student selection for Pennsbury and Morrisville students, as well as teacher certifications. As stated earlier in this report, Pennsbury offers a wide variety of electives, and builds its schedule around student requests. Based on the number of electives at Pennsbury, it is likely that no additional staff would be needed in order to accommodate Morrisville students for elective courses.

### **Special Education**

The capacity analysis included an examination of co-taught classrooms at the high school level. Pennsbury operates a co-teaching model across the district, particularly at the middle and high school levels, with general and special education students taught in the same classrooms. Pennsbury also operates certain classrooms for special education students in core subjects. The study team estimates that at least one additional special education teacher for high school Math would be required for special education students, and this teacher is included in the count of five additional teachers at the high school level in the summary table above.

Services provided to special education students are outlined in Individualized Education Plans (IEPs) for each student identified as requiring supports. Without reviewing each student's IEP, it is not possible to determine exactly how many courses will run and what staff or paraprofessionals (instructional aides) would be required to fill those requirements. A careful analysis of all IEPs would need to be completed during the transition period to determine how many teachers and paraprofessionals would be necessary in order to transition Morrisville special education students to Pennsbury without a change in service. As a conservative starting point, the study assumes that all special education staff in grades 6 to 12 are transferred to Pennsbury in the merger, and Morrisville's elementary level special education staff numbers are adjusted for the staffing impacts for grades 3 to 5. Since Pennsbury's professional staffing ratios include special education teachers, it is assumed that the ratios used for the K-2 Grandview Elementary School would include special education teachers. In addition, the study assumes that all 25 of Morrisville's budgeted paraprofessional staff are transitioned to Pennsbury in a merger to maintain continuity in the initial IEPs for every student.

In addition to the IEP review, Pennsbury would need to review the types of services that it provides for special education students. In particular, this review would include whether any services currently contracted by Morrisville through the IU or other providers could be provided with Pennsbury's existing

---

Honors Precalculus & Discrete Math, Calculus, Honors Calculus, AP Calculus AB, AP Calculus BC, Multivariate Calculus, Statistics, AP Statistics, Survey of Mathematics & Trigonometry, Business Math, Applied Statistics & Financial Algebra, AP Computer Science Principles, and Mathematics Seminar.



staff. As noted in the Scenario Financial Projections chapter, this may lead to additional savings in both service contracts and transportation. Since these impacts are unknown at this time, the study carries Morrisville's full costs for contracted services and tuition payments in its estimate of the financial impacts in a merger.

As discussed earlier in this report, both districts have similar percentages of special education students and similar proportions of students by identification. During interviews with the study team, staff from both districts discussed the goal of increasing supports to students in school. As both districts utilize the Bucks County Intermediate Unit as one of the main providers of contracted special education services, there may be potential savings for both districts under a merger or tuition scenario. These savings would be contingent upon Pennsbury having available teachers for the classrooms, available space in the classrooms, and whether the total costs of the classrooms are less than the tuition payments and transportation costs currently paid by Morrisville.

Both districts also expressed their goal of decreasing the number of out-of-district special education placements. The addition of Morrisville students may help to advance that goal through increased capacity and supports to students which may help attract students and families back to in-district options. In particular, Pennsbury operates the Village Park Academy, which is currently used for multiple options including students who have been placed through court assignment and students who are avoidant. The Village Park Academy also offers credit recovery and is where students who attend Pennsbury's cyber program can take courses on-site.

### **Additional Staff Supports**

If Pennsbury were to absorb students from Morrisville under a merger scenario, support positions would likely be required in addition to the instructional positions. For example, as discussed earlier in this chapter, attendance rates across all grade levels at Pennsbury are higher than those reported by Morrisville, particularly at the middle and high school levels. Based on data reported to the Pennsylvania Department of Education in 2021-22, 92.0 percent of Pennsbury High School students had regular attendance, while 80.0 percent of Morrisville Middle / Senior High School students had regular attendance. In either scenario, as Morrisville students transition into a much larger school district, Pennsbury may require additional staff to monitor attendance and provide supports during the early years of the transition. These staff could function as guidance or attendance officers. Additional support activities may also include assisting Morrisville students with tracking or ensuring on-time graduation given the transition, different course sequences, and larger class sizes at Pennsbury. The study assumes that Pennsbury would hire two additional guidance counselors to provide this support and reduce current caseloads.

### **Administrative Staff**

Based on the information provided, the study does not assume that Pennsbury would need to add administrative staff on a long-term basis in a merger. Similar to the approach used in the Central Valley merger, the study assumes that Morrisville's superintendent and business manager would be retained by Pennsbury for one year to support the transition given the need to review programs and curriculum, onboard potential hires from Morrisville, and integrate data systems.



## Merger and Tuition Impacts: Academic Programs

### Professional Development

In a merger, the study assumes that a portion of Morrisville's instructional staff will likely transition to Pennsbury as new positions or vacancies arise, as outlined earlier in this chapter. Whether transferring from Morrisville or hired from other sources, these teachers will need additional dedicated professional development and time to learn the new curriculum and materials, as well as any additional techniques, such as teaching under a block schedule. Pennsbury would need to spend additional resources on this professional development for new staff, perhaps under a modified teacher induction process for more experienced professionals. Although the two school districts would remain independent entities under a tuition agreement, there would still be a need to align course sequencing and instructional methodologies across the two school districts to minimize the impacts of grade transitions for students attending school in Pennsbury.

### Curriculum and Courses

As noted previously in this chapter, Pennsbury and Morrisville currently have varying levels of resources to dedicate to regular updates to curriculum and replacement of classroom materials. Pennsbury refreshes its K-12 curriculum for all subject areas every five years, while Morrisville is in the process of revising its curriculum starting with English and Math. Although Morrisville has also not regularly budgeted for textbook replacement as part of its curriculum revision, the study's financial projection scenarios include funds for replacement in future years.

Under a merger or tuition agreement, the study assumes that Morrisville students will be offered the same courses and curriculum that are offered to all Pennsbury students. During the transition period, effort should be made to align Morrisville's curriculum as much as possible to Pennsbury's to ease the transition for students, taking advantage of Morrisville's existing curriculum replacement and review cycle. This will likely result in additional costs for Morrisville to update its curriculum to align with Pennsbury.

As noted in the Governance chapter, the Central Valley merger relied on committees from the two school districts to review curriculum, programs of study, and materials to ensure that the systems could be combined seamlessly. Pennsbury's administration will need to work with their counterparts in Morrisville to conduct a similar review, which should include the following items. These items are likely to be applicable regardless of whether the two school districts choose to merge or enter into a tuition agreement.

The factors to consider that will impact the academic programs under either a merger or tuition scenario include the following:

- Depending on which buildings remain open in Morrisville pursuant to each scenario, bell times may need to be adjusted to match the times in Pennsbury
  - As noted in the Transportation chapter, this will be an important factor in the vehicle requirements to provide enough time for Morrisville's students to get to school
- Elementary level curricula should be aligned to ensure a smooth transition to middle school with a focus on English Language Arts and specials
  - Adjustments may need to be made depending on the configuration of elementary school grades in Morrisville's buildings that remain open



- If students in grades 6-8 remain in Morrisville’s buildings, the middle school curriculum would need to be aligned to ease the transition for students at the high school level
  - Given Morrisville’s size, it will not be possible for Morrisville to offer the same electives offered at Pennsbury’s middle schools
  - Under a tuition agreement, Morrisville should consider moving from a traditional eight-period day to Pennsbury’s block schedule to ensure the same standards and approach
    - Morrisville has already started to move in this direction by instituting a double block for English Language Arts at the middle school
    - Morrisville is considering implementing a double block for Math in the 2023-24 school year
  - Morrisville has already taken steps to build in structures and supports that mirror the Teams and Tower approaches used at Pennsbury, such as using an advisory period for students and using a modified or full team approach for students in grades 6 to 8
  - Consideration would need to be given on how to integrate the Teams and Tower approaches between the middle and high school levels to ensure appropriate integration of Morrisville and Pennsbury students

Depending on which grade levels are selected to transition, it will be important to offer Morrisville students comprehensive information on Pennsbury electives, Honors, and Advanced Placement courses which may be different from current Morrisville offerings. In addition, district administration will need to determine how Honors and Advanced Placement enrollments are handled – either at the recommendation of the student or teacher – particularly for Morrisville students. For example, if a teacher recommendation is required, then Morrisville teachers will need to be familiar with the Honors and Advanced Placement course requirements and offerings at Pennsbury.

As both districts have the same credit requirements for graduation and the same grading system there should not be significant issues with those aspects of the transition. However, the districts should ensure that Pennsbury accepts all credits for core curriculum and elective courses taken by Morrisville students, and that students are given credit for those courses, so students do not need to repeat grade levels unnecessarily. As the sequence of high school courses is different between both districts, scheduling students to ensure they receive all required credits may take some time. Determining that schedule and how to address those requirements would need to be addressed during the transition.

### **Extracurricular Activities**

Under a merger or tuition agreement, Morrisville’s students would be eligible to participate in all of Pennsbury’s extracurricular programs. Depending on the grades that would transition to Pennsbury, steps would need to be taken to ensure that Morrisville’s students are provided information on the activities that would be available to them. As described in the Transportation chapter, Pennsbury would be responsible for transporting students to and from these activities, which would include afterschool programs and sports. These logistics may affect the grade configuration decision for buildings that remain open in Morrisville under either scenario.

### **Key Questions and Considerations**

Pennsbury and Morrisville will need to convene a working group of administrators and educators to evaluate the efficacy of the potential grade configuration options for a merger or tuition agreement. In addition to the program alignment issues noted in this chapter, the review should focus on whether the potential configurations would offer more capacity to improve access to high-quality materials and programs for Morrisville’s students, opportunities for greater socialization and team building with peers in



Pennsbury, or potential challenges that may need to be addressed in making students in Morrisville members of the Pennsbury community. It would also inform the additional academic supports described earlier in this chapter. Each level presents different questions and factors to be considered, and some of these have been summarized by the study team below.

- All levels
  - What is the specific capacity across Pennsbury’s elementary schools to accommodate Morrisville’s students?
    - The study used a high-level analysis of sections and enrollment to identify potential areas with capacity
    - Pennsbury would need to refine this analysis depending on the grade configuration of students from Morrisville in either scenario as well as updated enrollment in both districts
- Elementary school level
  - Which grades would be educated in Pennsbury, and which grades would remain in Morrisville’s buildings?
    - Having K-2 in a small building would allow Pennsbury to concentrate supports for Morrisville to ensure that potential gaps are closed in early grades
    - It would also reduce any capacity pressures at the outset of a merger or tuition arrangement
    - One area to consider would be the number of transitions for students in Morrisville and Pennsbury
    - If Grandview remains a K-2 building, Morrisville students would have three transitions at grades 3, 6, and 9, while Pennsbury’s students would have two transitions at grades 6 and 9
  - Would Morrisville have sufficient supports to remain an independent K-2 school district in a tuition agreement?
    - Morrisville’s staff would be reduced to a relatively small group of teachers that would be tasked with preparing students for a major transition at grade 3
    - Aligning curriculum and programs with Pennsbury may be a difficult task with limited staff
    - However, Pennsbury could also provide supports under a cooperative agreement
- Middle school level
  - How would Morrisville’s catchment areas be structured if Morrisville’s students are to be enrolled in all three middle schools?
  - If grades 6 to 8 remain in Morrisville, how would Pennsbury ensure that students would have access to similar electives or extracurricular activities?
- High school level
  - If Pennsbury adjusts its high school bell time, then the two districts should time the start of a merger or tuition agreement to begin after the bell transition takes place
  - Pennsbury is considering renovations at its high school campus
    - The design of the project will likely need to include any impacts to accommodate Morrisville’s students
    - Additional swing space may be needed if Morrisville’s students arrive during construction



## Facilities

The study team requested financial and operational data for the facilities operated by the Pennsbury and Morrisville school districts, which included information on annual expenditures, custodial and maintenance staffing levels, square footage, and capital needs. This information was supplemented with staff interviews, selected facilities examinations, and follow up discussions with the staff at each school district.

The primary intent of this review was to determine factors which could substantially affect a merger or tuition arrangement between Pennsbury and Morrisville. As a result, the study team focused on potential issues associated with the condition of Morrisville’s buildings, Pennsbury’s existing capital plan, as well as staffing and capabilities of the facilities/custodial departments of both school districts. This review was not intended as an in-depth evaluation of the facilities departments nor of the district buildings.

### School District Facilities

#### Pennsbury

As shown in the table below, Pennsbury operates 15 academic buildings for Kindergarten to twelfth grade. Pennsbury’s other facilities include the Village Park Academy, which serves students with social and emotional needs, the administration building, two garages, a warehouse, the Medill Bair Sports Complex pool, and Falcon Field stadium with its related courts and fields.

**Pennsbury School District Facilities**

| Facilities Category  | Buildings | Square Footage   |
|----------------------|-----------|------------------|
| Elementary Schools   | 10        | 711,264          |
| Middle Schools       | 3         | 504,536          |
| High Schools         | 2         | 723,817          |
| Village Park Academy | 1         | 75,200           |
| Other Facilities     | 7         | 335,894          |
| <b>Total</b>         | <b>22</b> | <b>2,350,711</b> |

Source: Square footage and building information provided by Pennsbury.

#### Morrisville

As shown in the table below, Morrisville operates two academic buildings for Kindergarten to twelfth grade. Grandview Elementary School (GES) currently is configured for Kindergarten to the second grade. At Morrisville Middle / Senior High School, grades 3 to 5 are educated in a wing at the back of the building that is separated from the Middle / Senior High School (M/SHS) by security doors. Middle and high school students attend classes in separate wings of the building, and administrative offices are co-located in the facility.



## Morrisville School District Facilities

| Facility                                | Status        | Square Footage |
|---|---------------|----------------|
| Grandview Elementary School             | K-2 building  | 26,000         |
| Morrisville Middle / Senior High School | 3-12 building | 152,470        |
| Manor Park Elementary School            | Closed        | 17,650         |
| Capital View Elementary School          | Closed        | 13,000         |
| Robert Morris Field                     | Operating     | N/A            |
| <b>Total</b>                            | <b>—</b>      | <b>209,120</b> |
| <b>Total facilities in active use</b>   | <b>—</b>      | <b>178,470</b> |

Source: Square footage and building information provided by Morrisville.

Manor Park Elementary School was previously rented to an organization running a federally funded Head Start program and operated as an early childhood center. A recent sale was not completed, and Morrisville is in the process of marketing the building for sale.

Capital View Elementary School was also previously rented to another organization to operate as an early childhood center. Morrisville is not currently marketing the building, and it sits on property held in trust by an estate. Both Manor Park and Capital View are in poor to fair condition, and they are not actively maintained by Morrisville staff. Morrisville continues to pay for basic utilities at the buildings.

Robert Morris Field is located on a property that is jointly owned by Morrisville and an estate. Morrisville owns 25 percent of the field, and the estate holds the remaining portion of the field as well as the lot where Capital View Elementary School is sited. Information provided to the study team indicates that the property will revert to the trust if it is no longer used by Morrisville as an athletic field.

## Custodial and Maintenance Services

### Morrisville

Morrisville maintains its two active schools with 178,470 square feet of space. These buildings are supported by nine custodians and maintenance staff as shown below. Current rates for these employees are \$26.70 per hour for the lead custodian, \$21.01 per hour for the maintenance mechanic, \$16.48 for the grounds & shipping position, and \$15.61 to \$20.06 per hour for the custodians.

### Morrisville School District Facilities Staffing

| Position             | Building      | Count    |
|----------------------|---------------|----------|
| Maintenance Mechanic | GES and M/SHS | 1        |
| Lead Custodian       | GES and M/SHS | 1        |
| Day Custodian        | M/SHS         | 1        |
| Night Custodian      | M/SHS         | 3        |
| Day Custodian        | GES           | 1        |
| Night Custodian      | GES           | 1        |
| Grounds & Shipping   | M/SHS         | 1        |
| <b>Total</b>         | <b>—</b>      | <b>9</b> |

Source: Staffing levels provided by Morrisville.



As discussed in the benchmarking section below, staffing levels at Morrisville’s buildings are relatively low compared to peers in the region and across the Commonwealth. Morrisville only has one maintenance employee, who handles general duties across the two buildings. Morrisville contracts with vendors for more specialized work including electrical, HVAC, and plumbing repairs. In the 2022-23 budget Morrisville has allocated \$131,500 for routine contracted maintenance services, an amount which reflects the lack of in-house maintenance staff.

In terms of custodial staffing, Morrisville assigns its custodians to daytime and night shifts at the two school buildings, which is a common practice in Pennsylvania school districts. In school districts, day custodians typically are responsible for cleaning bathrooms, cleaning eating areas after breakfast or lunch service, and other needs such as spill clean-up. During the night shift, custodians take care of most of the routine daily cleaning, which can include emptying trash cans, dusting, mopping and vacuuming, restocking supplies, and other duties.

At Grandview Elementary School, one custodian is on the day shift and one custodian is on the night shift. At Morrisville Middle / Senior High School, one custodian is on the day shift, and three custodians are on the night shift. The Lead Custodian is not dedicated to a building, although most of their time is assumed to be spent at the Middle / Senior High School.

## Pennsbury

Pennsbury operates 16 school buildings (15 elementary, middle, and high schools, as well as Village Park Academy) totaling 2,014,817 square feet of space. In addition to these buildings, Pennsbury has seven other administrative, athletic, and transportation facilities, which total 335,894 square feet. The buildings are maintained with facilities staffing as shown in the table below:

### Pennsbury School District Facilities Staffing

| Position                           | Count        |
|------------------------------------|--------------|
| Maintenance Mechanic <sup>28</sup> | 19           |
| Grounds Mechanic                   | 9            |
| Head Custodian                     | 16           |
| Full-Time Custodian                | 41           |
| Part-Time Custodian <sup>29</sup>  | 1.5          |
| Full-Time Cleaner                  | 16           |
| Part-Time Cleaner <sup>2</sup>     | 18           |
| <b>Total</b>                       | <b>120.5</b> |

Source: Staffing levels provided by Pennsbury.

In the 2022-23 school year, maintenance mechanics are paid between \$23.43 and \$28.95 on an hourly basis depending on years of service with Pennsbury. Custodians are paid between \$19.45 and \$24.20 per hour, full-time cleaners are paid between \$17.80 and \$22.22 per hour, and part-time cleaners are paid between \$16.38 and \$20.50 per hour. Employees also receive longevity payments based on years of service and can earn additional hourly shift differential pay depending on shift assignments. Based on information provided to the study team, head custodians are assigned to the day shift, and the position’s duties do not include a significant portion of the building cleaning; therefore, these positions have been

<sup>28</sup> Maintenance Mechanic positions include Electrical Mechanics, Grounds Mechanics, and Plumbing/HVAC Mechanics. Pennsbury also employs two audio-visual mechanics; however, since the position duties do not include building maintenance, they are excluded from this analysis.

<sup>29</sup> Part-time employees are included at an estimated full-time equivalent basis at 0.5 positions.



excluded from the benchmark comparison. Pennsbury’s custodians and cleaners are assigned to school buildings on day and night shifts, similar to Morrisville. Maintenance mechanics have duties districtwide, and they are not assigned to a specific building.

Fringe benefit packages (holidays, vacations, sick leave, medical insurance, prescription insurance, dental insurance, etc.) vary between the two school districts, and are governed by collective bargaining agreements. Benefits for this group of employees are similar enough in each district that they would have de minimis impact on costs in any merger or tuition scenario.

## Custodial and Maintenance Benchmarking

Pennsbury and Morrisville maintenance and custodial staffing allocations were compared to recent information from the Pennsylvania Association of School Business Officials (PASBO) Facilities Benchmarking Report of Pennsylvania school districts. Benchmarks from the facilities report are used to compare Pennsbury’s and Morrisville’s operations with peer school districts in the PASBO Region 6, which comprises 43 school districts in southeastern Pennsylvania, as well as the Statewide medians for the selected metrics.

The available PASBO facilities staffing information is from the 2016-17 school year since more recent years have fewer respondents, which limits the applicability of the benchmarking. However, the most recent PASBO Benchmarking survey is still underway and at this time has insufficient data for meaningful comparisons. Additional benchmarking information is from the PASBO’s financial comparison tool, which draws on Annual Financial Report (AFR) data as reported to the Department of Education for the 2020-21 school year, the most recent available for all 500 school districts in the Commonwealth. The results of these comparisons are shown in the following table.

### Facilities Benchmarking

| Parameter   | Pennsbury <sup>30</sup> | Morrisville | Bucks County SDs | Statewide |
|---|-------------------------|-------------|------------------|-----------|
| Total facilities budget (Function 2600) as a % of total expenditures, 2020-21                 | 7.47%                   | 6.33%       | 5.89%            | 6.29%     |
| Total 2600 expenditures, \$/pupil, 2020-21  | \$1,698                 | \$1,840     | \$1,551          | \$1,632   |
| Total contracted facility maintenance services (object 400) as a % of total 2600 expenditures | 5.67%                   | 28.01%      | 11.47%           | 15.01%    |
| S.F per custodian (overall average)   | 26,337                  | 25,496      | 33,575           | 29,275    |
| S.F. per in-house maintenance staff (overall average)   | 113,143                 | 178,470     | 138,985          | 148,868   |
| Total energy cost per pupil (Source: PDE & MSD)   | 169                     | 184         | 180              | N/A       |

**Source:** Staffing levels and financial data provided by the two school districts; PASBO facilities and financial benchmarking reports.

The analysis in this study is at a high level, and it would not account for the nuances of the detail operations and data from the two school districts. For example, the square footages provided for the study show total space in the buildings likely from architectural studies, and may not represent the actual cleanable area of the buildings. Furthermore, the two school districts likely have different cleaning standards for different portions of the buildings, where high-use areas such as classrooms and bathrooms receive the most frequent cleaning, and large spaces such as pools, gymnasiums, and multi-purpose rooms may receive different frequencies of cleaning.

<sup>30</sup> Including non-instructional facilities except for Falcon Field. See discussion below.



## Custodial and Maintenance Staffing Levels

Using the staffing levels and square footages in the section above, Grandview Elementary School has 13,000 square feet of space assigned to its two custodians. Assuming that the Lead Custodian spends the majority of the position's time supporting the three night custodians at the Middle / Senior High School, these staff members and the day custodian would have 30,494 square feet of space assigned to them. Overall, the seven staff in Morrisville are responsible for 178,470 square feet of space, or 25,496 per staff member.

Compared to the Countywide averages from the 2016-17 PASBO report, Morrisville has 8,079 less square feet of space assigned to its custodians, or a percentage difference of 27.4 percent. Compared to the Statewide average, Morrisville's custodial employees cover 3,779 less square feet of space on average, or a percentage difference of 12.0 percent. In both cases, custodians at the Middle / Senior High School are much closer to the Countywide and Statewide averages.

For maintenance staff, Morrisville has one maintenance employee and 178,470 of square feet of space. Compared to the Countywide averages, Morrisville has 39,485 more square feet of space assigned to its maintenance staff, or a percentage difference of 24.9 percent. Compared to the Statewide average, Morrisville's employees cover 29,602 more square feet of space on average, or a percentage difference of 20.6 percent. However, Morrisville's nearly complete reliance on contract staffing reduces the need for in-house staff.

In Pennsbury, using the staffing levels and square footages from the section above, the 104 custodial staff are responsible for 2,350,711 square feet of space, or an average of 30,930 per staff member. If the 335,894 square feet from the Falcon Field stadium, garages, and other administrative buildings are excluded from the analysis, the average square feet per custodian is 26,337. Assuming that this figure is a more accurate reflection of cleaning assignments, Pennsbury's custodial staff are responsible for 7,238 less square feet of space compared to the Countywide average, or a percentage difference of 24.2 percent. Compared to the Statewide average, Pennsbury's employees cover 2,938 less square feet of space on average, or a percentage difference of 20.1 percent.

For maintenance staff, Pennsbury has 19 maintenance employees and 2,149,711 of square feet of space for all buildings less the Falcon Field stadium, or 113,143 square feet of space per employee. Compared to the Countywide averages, Pennsbury has 25,842 less square feet of space assigned to each of its maintenance staff, or a percentage difference of 20.5 percent. Compared to the Statewide average, Pennsbury's employees cover 35,725 less square feet of space on average, or a percentage difference of 48.0 percent. This likely reflects a higher usage of in-house staff rather than contracted services.

As shown in the analysis and table above, both Pennsbury and Morrisville have higher custodian staffing levels, and thus lower average square feet of space assigned to staff, in comparison to both the Countywide and Statewide averages from the 2016-17 PASBO report.<sup>31</sup> Pennsbury has higher maintenance staffing levels compared to Morrisville, and both the Countywide and Statewide averages, which likely reflects Pennsbury's greater usage of in-house maintenance staff. Pennsbury's staffing levels compared to Morrisville are driven by the greater number of the buildings maintained by Pennsbury. Many of Pennsbury's buildings are older, similar to Morrisville, and these buildings would require higher levels of staffing to maintain. In addition, the benchmark comparison would not capture the use of contracted maintenance staff by other school districts. Compared to the Countywide and Statewide averages, Morrisville has fewer maintenance employees supports its buildings.

---

<sup>31</sup> These ratios may be affected by the number and types of buildings in a district (including non-instructional facilities). Average coverage ratios may not be sufficient in general or a specific facility.



## Facilities Spending

As can be seen from the table above, Pennsbury spends a higher percentage of its total budget on facilities in comparison to other school districts in Bucks County and across the State. Pennsbury has older buildings and a catalogue of deferred maintenance that it is addressing through its capital improvement plan. Pennsbury's maintenance expenditures are greater than some of its peers because its capital investments did not keep pace with the depreciation of the building assets in prior years. Pennsbury's lower contracted service percentage is consistent with the higher in-house staffing.

Morrisville also spends a higher percentage of its budget on facilities compared to the Countywide average. Compared to the Statewide average, Morrisville spends slightly more as a percentage of total expenditures; however, the difference is minimal.

## Capital Needs

### Morrisville Capital Needs

On its site visit to Morrisville the study team found that the two school buildings currently used for instruction were generally in good to very good condition. As shown in the table below, it has been 54 years since the completion of an addition at Grandview Elementary School and 48 years since an expansion of the Middle / Senior High School. Based on the ages of the two buildings, the current conditions reflect well on the maintenance levels that Morrisville can afford.

**Morrisville School District Construction Dates**

| Facility                                | Year Constructed | Year of Addition |
|---|------------------|------------------|
| Grandview Elementary School             | 1957             | 1968             |
| Morrisville Middle / Senior High School | 1958             | 1974             |

Source: Building information provided by Morrisville.

In 2019, Morrisville completed a renovation project under the Guaranteed Energy Saving Act (GESA) which included major upgrades to the heating, ventilation, and air conditioning (HVAC) systems at Morrisville Middle / Senior High School. The renovations at M/SHS provided new boilers, air cooled chillers, and terminal unit ventilators, as well as an associated digital control system. At Grandview Elementary School, systems were upgraded in 2010 with new boilers and a decentralized air conditioning system, using individual classroom split system heat pumps. The GES heat pumps are Trane XB13 models which are out of warranty (five years) but in good condition based upon visual inspection during the site visit. Both schools use natural gas for heating, and oil tanks at both schools have been removed to eliminate future leak liability and annual reporting to the State.

Based on cost data provided by Morrisville, total annual utility costs for both schools are \$108,000 for electricity and \$52,000 for gas service. This equates to \$0.90 per square foot, \$184 per pupil, and 52 thousand British thermal units (KBTU) per square foot. These averages are reasonably efficient and near the Bucks County average. Water and sewer costs for the past three years have averaged \$4,810 per year, which is consistent with the small student population.

During the site visit, the roofs at both buildings were identified as one area of concern. Based the study team's cursory visual inspection and aerial review using Google Earth, both roofs appear to need repairs in the short term and replacement in the near future.



Using the Google Earth determined surface areas, the table below shows replacement budgets estimated using industry renovation costs per square foot. The roof areas determined from Google Earth are about 8 percent greater than those shown above provided by Morrisville. The roofs are sloped in several sections, thus increasing the roof surface area in relation to the flat building areas that would be cleaned and maintained by staff.

### Morrisville Roof Renovation Estimated Costs

|   |                 | Grandview<br>Elementary School | Morrisville Middle / Senior<br>High School |
|---|-----------------|--------------------------------|--|
| White single-ply rubber membrane sloped areas | Area (SF)       | 0                              | 47,769                                     |
|   | Cost / SF       | \$32                           | \$32                                       |
|   | <b>Subtotal</b> | <b>\$0</b>                     | <b>\$1,528,608</b>                         |
| Gravel/Built-up roof (BUR) flat areas         | Area (SF)       | 10,145                         | 116,950                                    |
|   | Cost / SF       | \$32                           | \$32                                       |
|   | <b>Subtotal</b> | <b>\$324,640</b>               | <b>\$3,742,400</b>                         |
| Sloped asphalt shingle areas                  | Area (SF)       | 18,600                         | 0  |
|   | Cost / SF       | \$17                           | \$17                                       |
|   | <b>Subtotal</b> | <b>\$316,200</b>               | <b>\$0</b>                                 |
| <b>Total Costs</b>                            |                 | <b>\$640,840</b>               | <b>\$5,271,008</b>                         |

Prior to contracting for a roof replacement, Morrisville should conduct a survey and roof evaluation, which is estimated to cost \$11,500. In total, a preliminary estimate based on initial visual inspection only suggests that the cost for the survey and the two roof renovations would be \$5,923,348. The costs of this renovation have been included in this study's financial projections in the form of additional debt service for bonds that would be issued by Morrisville in the 2024-25 school year. Morrisville may not be able to complete these projects before the 2024-25 school year given the need to conduct the survey, complete architectural and engineering studies, bid the projects, and weather the potential impacts of supply chain delays.

### Pennsbury Capital Needs

Facilities at Pennsbury are generally in good condition, although several schools need renovations. Pennsbury has a 20-year capital plan that has identified \$361.7 million in projects. In the plan, \$155.6 million in projects are assumed to be to be completed in the first ten years, and the remaining \$206.1 million would be completed in the final ten years of the plan. The baseline projections include the additional debt service and transfers identified in Pennsbury's internally developed long-term financial projections to complete the first ten years of the plan. In the short-term, Pennsbury expects to complete a GESA renovation project to provide additional improvements in the schools not scheduled for renovation. The GESA project would address priority mechanical, electrical, plumbing (MEP) issues in several schools. Pennsbury's current estimate of the GESA project is \$10 million in renovations in the buildings.



## Scenario 1: Merger

### Morrisville Building Configuration

In a merger scenario, the study assumes that all of the Morrisville’s students in grades K to 12 would be educated in Pennsbury’s elementary, middle, and high schools. The assumptions related to teacher staffing and transportation are outlined in the Academics and Transportation chapters of this report.

Since all of the Morrisville students in grades 3 to 12 would be educated in Pennsbury’s schools, over time there would be no need for the current Middle / Senior High School located in Morrisville. Other parts of this report describe how Morrisville’s students can be accommodated in Pennsbury’s existing buildings. Due to uneven class sizes – in particular from pandemic-related changes in early years enrollment – and the specific timing of declining enrollment, it is possible that continued use of the Middle / Senior High School might be necessary for a transition period. That possibility has not been costed as part of this study, but would be relatively straightforward once the districts determined with more precision the timing, required staffing levels, and properties involved in specific scenarios. In addition, the study has not costed other potential options for the properties remaining in Morrisville, which could include building a new K-5 school building located in the borough or demolishing the buildings and using the sites for other purposes, such as a satellite bus garage to shorten the trip length from Pennsbury’s current garages to the routes in Morrisville.

Although the scenario assumes the sale of the Middle / Senior High School and the two closed buildings in Morrisville, the study does not include any proceeds from the sale of the buildings. If the sales occur within the ten-year timeframe in the financial projections, the proceeds could be used to fund capital projects at other facilities.

### Morrisville Building Configuration Assumptions

| Facility                                | Assumptions  |
|---|--|
| Grandview Elementary School             | <ul style="list-style-type: none"> <li>• Roof would be repaired/replaced</li> <li>• Building does not have a functional kitchen, so the current cafeteria will need to be renovated, or an alternative for food delivery would need to be created</li> <li>• Further renovations could be considered to open additional special education classrooms to educate students within the school district, or to build an extension of the building to provide additional space for classrooms or administrative offices               <ul style="list-style-type: none"> <li>○ Since the extent of the needed renovations are unknown until the building purpose is decided, the study assumes that Morrisville would need to borrow \$1.5 million to complete renovations at the building</li> </ul> </li> </ul> |
| Morrisville Middle / Senior High School | <ul style="list-style-type: none"> <li>• Close the building and sell the property               <ul style="list-style-type: none"> <li>○ Given the size of the building, it may be difficult to find a buyer or repurpose the building in its current state</li> </ul> </li> <li>• PSD would continue to pay for minor maintenance and utilities until the sale of the building at the end of the 2026-27 school year</li> <li>• Roof would not be replaced, and Pennsbury would not incur any debt service costs for renovations at the building</li> </ul>   |
| Manor Park Elementary School            | <ul style="list-style-type: none"> <li>• Building would eventually be sold</li> <li>• Pennsbury will continue to pay for minor maintenance and utilities until sale</li> </ul>   |



|                                |   |
|--------------------------------|---|
| Capital View Elementary School | <ul style="list-style-type: none"> <li>• Building would eventually be sold</li> <li>• Ownership of the parcel of land would potentially return to the estate</li> <li>• Pennsbury will continue to pay for minor maintenance and utilities until sale</li> </ul>  |
| Robert Morris Field            | <ul style="list-style-type: none"> <li>• Option A: Continue to use Robert Morris Field for football <ul style="list-style-type: none"> <li>○ Site could be used for junior varsity or practice purposes</li> </ul> </li> <li>• Option B: Discontinue use of Field and lose lease rights <ul style="list-style-type: none"> <li>○ Pennsbury would work with the Morrisville solicitor to determine the portion of land that would be transferred in a merger</li> <li>○ Stadium may need to be demolished</li> </ul> </li> </ul> |

**Subcontracting**

One potential issue that may need to be resolved in a merger involving Article 29 of the Pennsbury Educational Support Professionals Association agreement prohibits subcontracting work to vendors. However, the article has an exception for historical practice, which may cover the current Morrisville maintenance operations if Pennsbury would need to retain the contracts while the buildings remain open until the sale of the buildings.

If a merger were to take place, Pennsbury would need to clarify this language with its solicitor. If Pennsbury’s maintenance staff are sufficient to handle the work currently handled by contracted services, this may not become an issue. For purposes of projecting costs in a merger, it is assumed that 50 percent of the current Morrisville maintenance budget would be sufficient to cover the cost of extending Pennsbury staff to cover Morrisville or augment Pennsbury staff with remaining contracts as needed until the buildings are sold at the end of the 2026-27 school year. In addition, the merger scenario continues 100 percent of the utilities and supplies costs until the sale of the buildings.

**Morrisville Staffing Levels**

The study assumes that it would take three years to find a buyer to purchase Morrisville’s school buildings and permanently close the buildings. The merger scenario assumes that Pennsbury would retain the custodians currently assigned to Grandview. At the Middle / Senior High School, the study assumes that one custodian is kept from 2024-25 when the merger takes place until the end of the 2026-27 school year. Then at the start of 2027-28, Pennsbury would reduce the custodian maintaining the Middle / Senior High School. In order to maintain Grandview, the study assumes that Pennsbury would hire a maintenance mechanic.

**Future Capital Needs**

Since the merger scenario does not assume the continued operation of Morrisville’s Middle / Senior High School for a significant amount of time, the scenario does not include any renovation costs for the building. The study assumes that Morrisville would need to borrow \$1.5 million in proceeds to renovate the building, and that the debt would be assumed by Pennsbury after the merger. Since Morrisville would continue to operate Grandview Elementary School in this scenario, then Pennsbury should consider completing a more detailed capital needs review for the building.



## Scenario 2: Tuition Grades 3 to 12 to Pennsbury

### Morrisville Building Configuration

In this tuition scenario, it is assumed that Morrisville's students in grades 3 to 12 would be educated in Pennsbury's elementary, middle, and high schools. Morrisville would continue to operate Grandview as an independent K-2 school district. The building configuration assumptions for this scenario are described in the table below.

#### Morrisville Building Configuration Assumptions

| Facility                                | Assumptions  |
|---|--|
| Grandview Elementary School             | <ul style="list-style-type: none"> <li>• Roof would be repaired/replaced</li> <li>• Building does not have a functional kitchen, so the current cafeteria will need to be renovated, or an alternative for food delivery would need to be created</li> <li>• Further renovations could be considered to open additional special education classrooms to educate students within the school district, or to build an extension of the building to provide additional space for classrooms or administrative offices</li> <li>• Since the extent of the needed renovations are unknown until the building purpose is decided, the study assumes that Morrisville would need to borrow \$1.5 million to complete renovations at the building</li> </ul> |
| Morrisville Middle / Senior High School | <ul style="list-style-type: none"> <li>• Close the building and sell the property               <ul style="list-style-type: none"> <li>◦ Given the size of the building, it may be difficult to find a buyer or repurpose the building in its current state</li> </ul> </li> <li>• MSD would continue to pay for minor maintenance and utilities until the sale of the building</li> <li>• Roof would not be replaced, and Morrisville would not incur any debt service costs for renovations at the building</li> </ul>   |
| Manor Park Elementary School            | <ul style="list-style-type: none"> <li>• Building would eventually be sold</li> <li>• Morrisville will continue to pay for minor maintenance and utilities until sale</li> </ul>   |
| Capital View Elementary School          | <ul style="list-style-type: none"> <li>• Building would eventually be sold</li> <li>• Ownership of the parcel of land would potentially return to the estate</li> <li>• Morrisville will continue to pay for minor maintenance and utilities until sale</li> </ul>   |
| Robert Morris Field                     | <ul style="list-style-type: none"> <li>• Option A: Continue to use Robert Morris Field for football               <ul style="list-style-type: none"> <li>◦ Site could be used for junior varsity or practice purposes</li> </ul> </li> <li>• Option B: Discontinue use of Field and lose lease rights               <ul style="list-style-type: none"> <li>◦ Morrisville's solicitor would need to determine the portion of land that would be impacted if the field is no longer used</li> <li>◦ Stadium may need to be demolished</li> </ul> </li> </ul>   |

### Building Operations

Under a tuition agreement, Morrisville and Pennsbury would remain two separate entities. Therefore, there would likely be no significant changes to the use of contracted services in Morrisville based on current practice.



Given the difference in size of Morrisville’s buildings, the study assumes that there would be significant savings on utilities and supplies after the Middle / Senior High School building is no longer used. The study assumes that Morrisville’s spending on building supplies is reduced to 10 percent in 2024-25 after the tuition agreement is effective, and spending on utilities is reduced to 10 percent after the Middle / Senior High School building is sold at the end of the 2026-27 school year. Since Morrisville would need to maintain Grandview with limited staff, the study assumes that Morrisville would achieve 50 percent of savings on contracted services with a single building. As noted in the Cooperation chapter, even in the absence of a merger or tuition agreement there may be opportunities for Morrisville to contract with Pennsbury if there is sufficient staff capacity and it would lead to financial savings.

### Morrisville Staffing Levels

Based on the building configuration assumptions for the tuition scenario, Morrisville would require fewer staff to maintain only Grandview Elementary School. The study assumes that Morrisville would keep roughly the current average square feet of space assigned to each staff member constant.

#### Tuition Scenario Custodial and Maintenance Staffing Assumptions

| Position                       | Custodians | Maintenance | Total      |
|--------------------------------|------------|-------------|------------|
| Grandview Elementary School SF | 26,000     | 26,000      | —          |
| New Morrisville Staff / SF     | 13,000     | 13,000      | —          |
| <b>Required Staffing</b>       | <b>2.0</b> | <b>1.0</b>  | <b>3.0</b> |

In this case, Morrisville would reduce custodial staffing by five positions over time, and it would retain its maintenance position. Since it would take a number of years to sell the Middle / Senior High School, the study assumes that four positions could be furloughed in 2024-25, and that one position would be retained until after the sale of the building. In addition, Morrisville may need to retain its Grounds & Shipping position to handle the receipt of deliveries to the building. Since there would be a lengthy transition between the current school year and the formal start of the tuition agreement, there may be attrition and turnover for Morrisville’s staff that would allow a reduction in staffing without furloughs. However, since the study team did not have enough information about tenure and turnover for the custodial and maintenance positions, the team did not make any assumptions about the potential impacts.

### Future Capital Needs

As noted above, Morrisville may need to renovate Grandview Elementary School to accommodate the K-2 students and operate as an independent school district without the Middle / Senior High School building. The study assumes that Morrisville would need to borrow \$1.5 million in proceeds to renovate the building. Since Morrisville would continue to operate Grandview Elementary School in this scenario, then Morrisville should consider completing a more detailed capital needs review for the building.

## Scenario 3: Tuition Grades 6 to 12 to Pennsbury

### Morrisville Building Configuration

In this tuition scenario, it is assumed that Morrisville’s students in grades 6 to 12 would be educated in Pennsbury’s middle and high schools. Morrisville would continue to operate the Middle / Senior High



School building as a reconfigured K-5 building. The building configuration assumptions for this scenario are described in the table below.

### Morrisville Building Configuration Assumptions

| Facility                                | Assumptions   |
|---|---|
| Grandview Elementary School             | <ul style="list-style-type: none"> <li>• Option A: Close the building and sell the property               <ul style="list-style-type: none"> <li>○ MSD would continue to pay for minor maintenance and utilities until the sale of the building</li> <li>○ Roof would not be replaced, and Morrisville would not incur any debt service costs for renovations at the building</li> </ul> </li> <li>• Option B: Maintain the building for another purpose               <ul style="list-style-type: none"> <li>○ This is an option, but the study team has not costed it as part of this report</li> <li>○ Roof would still be replaced</li> <li>○ Additional funds would need to be identified to handle elementary school renovations the Middle / Senior High School</li> <li>○ Building could be used for early childhood education with a State Pre-K Counts grant or federal funding (ex. Head Start)</li> </ul> </li> <li>• Building may be used for special education classes</li> </ul> |
| Morrisville Middle / Senior High School | <ul style="list-style-type: none"> <li>• Roof would be repaired/replaced</li> <li>• Building would be renovated to accommodate Kindergarten to second grade in addition to existing grade 3-5 students</li> <li>• Further renovations could be considered to open additional special education classrooms to educate students within the school district</li> </ul>   |
| Manor Park Elementary School            | <ul style="list-style-type: none"> <li>• Building would eventually be sold</li> <li>• Morrisville will continue to pay for minor maintenance and utilities until sale</li> </ul>  |
| Capital View Elementary School          | <ul style="list-style-type: none"> <li>• Building would eventually be sold</li> <li>• Ownership of the parcel of land would potentially return to the estate</li> <li>• Morrisville will continue to pay for minor maintenance and utilities until sale</li> </ul>  |
| Robert Morris Field                     | <ul style="list-style-type: none"> <li>• Option A: Continue to use Robert Morris Field for football               <ul style="list-style-type: none"> <li>○ Site could be used for junior varsity or practice purposes</li> </ul> </li> <li>• Option B: Discontinue use of Field and lose lease rights               <ul style="list-style-type: none"> <li>○ Morrisville's solicitor would need to determine the portion of land that would be impacted if the field is no longer used</li> <li>○ Stadium may need to be demolished</li> </ul> </li> </ul>  |

### Building Operations

Under a tuition arrangement, Morrisville and Pennsbury would remain two separate entities. Therefore, there would likely be no significant changes to the use of contracted services in Morrisville based on current practice.

Given the difference in size of Morrisville's buildings, the study assumes that there would be savings on utilities and supplies after the Grandview Elementary School is no longer used. The study assumes that Morrisville's spending on building supplies is reduced to 90 percent in 2024-25 after the tuition agreement is effective, and spending on utilities is reduced to 90 percent after the Grandview Elementary School is sold at the end of the 2026-27 school year. Since Morrisville would need to maintain the K-5 building with fewer staff, the study assumes that Morrisville would spend 75 percent of its contracted services with a



single building. As noted in the Cooperation chapter, even in the absence of a merger or tuition arrangement there may be opportunities for Morrisville to contract with Pennsbury if there is sufficient staff capacity and it would lead to financial savings.

### Morrisville Staffing Levels

Based on the building configuration assumptions for the tuition scenario, Morrisville would require fewer staff to maintain only the Middle / Senior High School as a K-5 building. The study assumes that Morrisville would keep roughly the current average square feet of space assigned to each staff member constant.

#### Tuition Scenario Custodial and Maintenance Staffing Assumptions

| Position                       | Custodians | Maintenance | Total      |
|--------------------------------|------------|-------------|------------|
| Middle / Senior High School SF | 152,470    | 152,470     | —          |
| New Morrisville Staff / SF     | 30,494     | 152,470     | —          |
| <b>Required Staffing</b>       | <b>5.0</b> | <b>1.0</b>  | <b>6.0</b> |

In this case, Morrisville would reduce custodial staffing by two positions over time, and it would retain its maintenance position. Since it would take a number of years to sell the Grandview Elementary School, the study assumes that one position could be furloughed in 2024-25, and that one position would be retained until after the sale of the building. In addition, Morrisville may need to retain its Grounds & Shipping position to handle the receipt of deliveries to the building. Since there would be a lengthy transition between the current school year and the formal start of the tuition agreement, there may be attrition and turnover for Morrisville’s staff that would allow a reduction in staffing without furloughs. However, since the study team did not have enough information about tenure and turnover for the custodial and maintenance positions, the team did not make any assumptions about the potential impacts.

### Future Capital Needs

As noted above, Morrisville may need to renovate the Middle / Senior High School to accommodate the all of the K-5 students. The study assumes that Morrisville would need to borrow the full \$6.0 million in baseline proceeds to renovate the building. Since Morrisville would continue to operate the Middle / Senior High School in this scenario, then Morrisville should consider completing a more detailed capital needs review for the building.



## Food Service

The study team requested financial and operational data from Pennsbury and Morrisville for the food service programs operated by the two districts, and this information was supplemented with staff interviews. Since the focus of the study is on the impacts to Pennsbury’s staff expects that the impact of serving Morrisville’s students would be minimal if a merger takes place or if a tuition agreement is developed,<sup>32</sup> this analysis focuses on Morrisville’s food service operations and the potential issues that would need to be resolved in the study scenarios.

### Morrisville’s Operations

Similar to Pennsbury, Morrisville contracts with the Nutrition Group for food service in its school buildings, and the firm provides supervisory, management, and operational staff in the cafeterias. During the staff interviews, Morrisville’s administration noted that the food service contract with the Nutrition Group expires at the end of the 2023-24 school year, and that the district would be issuing a request for bids for the service after this school year.

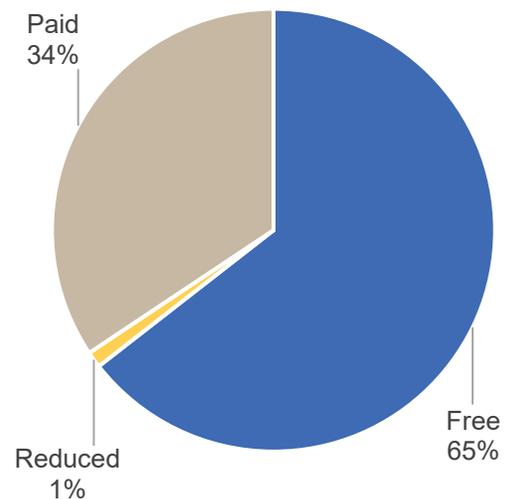
Morrisville participates in the National School Lunch Program and School Breakfast Program. In addition to breakfast and lunch service, Morrisville also provides meals for afterschool programs, as well as service over the summer. Morrisville does not meet the criteria to offer universal free meals through the federal government, and students apply for free or reduced lunch. As shown in the adjacent chart, 66 percent of Morrisville’s students received free or reduced meals in 2021-22.

Morrisville has a fully equipped kitchen for cooking and preparing food in the Middle / Senior High School building. Food is taken to the intermediate school portion of the building to serve to students in grades 3 to 5 in their separate cafeteria. Grandview Elementary School has a cafeteria with equipment for light food preparation and heating, and the building does not have a fully equipped kitchen. Food is prepared at the Middle / Senior High School and transported to Grandview. Morrisville’s administration noted that the food service program has used a variety of short-term solutions to transport food, including renting vehicles, and that a longer-term solution is needed for the building. Given Morrisville’s small scale, there is no redundancy in its operations, and equipment failures can significantly impact food service. During the staff interviews, Morrisville’s administration noted that the dishwasher unit at the Middle / Senior High School malfunctioned in the 2021-22 school year, which required the district to switch to more expensive Styrofoam trays until the equipment could be replaced.

### Meal Prices

As shown in the table on the following page, Pennsbury charges a higher rate for paid breakfast service at its schools, and the rates charged for lunch service vary by school level. Morrisville’s school lunch charges are higher for the elementary and middle school levels, and its rate is lower than Pennsbury’s at the high school level.

**Morrisville School District  
Free and Reduced Meal Eligibility  
2021-22 School Year**



**Source:** Free and reduced meal eligibility data provided by Morrisville.

<sup>32</sup> Pennsbury also has a positive balance in its Food Service Fund and generally posts positive results each school year.



### Paid Meal Price Comparison 2022-23 School Year

| Pennsbury  |           |        | Morrisville |        |
|------------|-----------|--------|-------------|--------|
|            | Breakfast | Lunch  | Breakfast   | Lunch  |
| Elementary | \$1.50    | \$2.65 | \$1.35      | \$3.00 |
| Middle     |           | \$2.85 |             |        |
| High       |           | \$3.25 |             |        |

Source: Meal price data provided by both school districts.

## Food Service Fund Financial Results

### Pennsbury

In the study team's financial statements analysis, Pennsbury drew down a portion of its balance in the 2020-21 school year, largely due to the impacts of the pandemic and lower charges for paid meals. At the end of the 2020-21 school year, Pennsbury had a total net position of \$623,883, which was 28.9 percent of operating expenses for the school year.

In the staff interviews, the administration noted that the 2021-22 results were expected to return to pre-pandemic levels, and the study team noted these trends in a review of preliminary financial results for the year. Prior to the pandemic in 2018-19, Pennsbury recorded a \$100,499 positive result in its Food Service Fund, and its total net position was 25.7 percent of operating expenses.

### Morrisville

In the table below, the annual results from Morrisville's audited financial statements are shown for the three most recent years of the district's Food Service Fund.

#### Morrisville School District Summary of Audited Results

|                            | 2018-19          | 2019-20          | 2020-21          |
|----------------------------|------------------|------------------|------------------|
|                            | Audited          | Audited          | Audited          |
| <b>Revenues</b>            |                  |                  |                  |
| Meals Charges              | \$107,924        | \$76,862         | \$2,814          |
| State and Federal Grants   | \$366,175        | \$334,993        | \$220,208        |
| Transfers In               | \$0              | \$0              | \$0              |
| <b>Total Revenues</b>      | <b>\$474,099</b> | <b>\$411,855</b> | <b>\$223,022</b> |
| <b>Operating Expenses</b>  |                  |                  |                  |
| Purchased services         | \$272,616        | \$202,344        | \$132,332        |
| Supplies                   | \$192,740        | \$156,082        | \$77,730         |
| Other Expenses             | \$2,363          | \$1,848          | \$1,627          |
| <b>Total Expenses</b>      | <b>\$467,719</b> | <b>\$360,274</b> | <b>\$211,689</b> |
| <b>Net Result</b>          | <b>\$6,380</b>   | <b>\$51,581</b>  | <b>\$11,333</b>  |
| <b>Ending Net Position</b> | <b>\$30,744</b>  | <b>\$82,325</b>  | <b>\$93,658</b>  |

Source: Annual financial statements provided by Morrisville.



Morrisville has recorded positive results in each of the three years, and a growing balance in the Food Service Fund. Morrisville's balance was 44 percent of expenses at the end of the 2020-21 school year. With an unrestricted net position of \$88,776 in 2020-21, Morrisville's balance would be sufficient to cover an estimated 75 days of operations out of a typical 180-day school year.

## **Merger and Tuition Scenario Impacts**

### **Capital Needs**

As noted above in this chapter and the Facilities chapter, Morrisville may need to evaluate whether renovations are required at Grandview Elementary School to expand the cafeteria to accommodate full-service meal cooking and preparation. Morrisville may also be able to use a portion of its unrestricted Food Service Fund reserves for equipment and possibly other needs at Grandview.

Alternatively, Pennsbury may be able to provide cooking at a satellite location, and meals could be transported if Pennsbury has sufficient transportation capacity. This collaboration could be a potential solution under all of the merger and tuition scenarios, and it could lead to operational savings for the debt service payments if less extensive renovations are required at Grandview.

### **Revenue Impacts**

Federal reimbursement for school meal service is provided on a per-meal basis, and the study team assumed that these revenues would follow the students to the school buildings where they receive meal service under any of the configurations discussed in the merger or tuition scenarios.

As noted above, Pennsbury and Morrisville have variations in the meal prices charged for meals, which would affect the two school districts in various ways under a merger or tuition agreement. For Morrisville's students attending school in Pennsbury, it is likely that the meal prices and grants from the State and federal governments would be sufficient to cover the costs of meal preparation. In Morrisville, a more detailed review of post-pandemic food service performance and the cost structure of the two buildings may be required in order to determine how retaining Grandview and closing the Middle / Senior High School would impact financial stability in the Food Service Fund.

### **Expenditure Impacts**

Given the extended timeline to begin a merger or enter into a tuition agreement, Morrisville will need to incorporate any ongoing discussions into the request for bids process for the food service contract, which will expire at the end of the 2023-24 school year. Depending on the timeframe for the decision, Morrisville could enter into a shorter-term agreement that is timed to expire with the start of the new arrangement. Alternatively, if the agreement covers years after the merger or tuition agreement would take place, Morrisville may need language in its contractual agreement with the provider to change its operational structure depending on the configuration of buildings that would remain in the borough.

Based on staff interviews with the administration at Pennsbury, the impact of providing food service for Morrisville's students is expected to be minimal. The marginal costs will most likely be additional food and supplies purchased offset by revenues, and there does not appear to be a need to significantly increase staff beyond current levels. Pennsbury may need to review its lunch schedules and cafeteria capacities to ensure that Morrisville's students could be served within the school day schedules, and there would be sufficient time to plan for any schedule changes before a merger or tuition agreement would begin.



---

If Morrisville continues to operate as an independent K-2 or K-5 school district under scenario 2 or 3, the administration will need to conduct a thorough review of its food service operations. As a K-2 school district, Grandview may require renovations to expand its kitchen capacity, and Morrisville would need to evaluate the staffing costs of the single building to determine how the smaller scale operations would affect finances. If Grandview remains the only operational building in Morrisville under scenario 1 or 2, then the cost structure of standalone food service will be the most important driver of financial stability for the building. Given the size and scale of the operations at the Middle / Senior High School, it is likely that staffing and service could be adjusted to accommodate Morrisville's elementary students that would remain in the building in scenario 3.



# Transportation

The study team requested financial and operational data for the Pennsbury and Morrisville transportation departments, which included information on annual expenditures, vehicle usage, and staffing levels. This information was supplemented with staff interviews, follow up discussions with the staff at each school district, and a review of cost and operational data submitted to the Department of Education.

The primary intent of this review was to determine factors which could substantially affect a merger or tuition arrangement between Pennsbury and Morrisville. As a result, the study team focused on potential issues associated with the current vehicle capacities in Pennsbury, and the likelihood of requiring new bus routes to serve Morrisville’s students. This review is not intended as an in-depth evaluation of Pennsbury’s transportation department or a detailed bus routing study.

## Transportation Structure

The School Code does not require school districts to provide transportation for students. However, if a district does provide transportation to students attending schools it operates, it must also provide transportation for students attending charter schools and non-public schools within ten miles of the district’s boundary. In the table below, the current transportation structure is summarized for Pennsbury and Morrisville.

**Transportation Structure Summary**

|                              | Pennsbury   | Morrisville  |
|------------------------------|---|--|
| Transportation Policies      | <ul style="list-style-type: none"> <li>• Walking for some communities near school buildings</li> <li>• Students are transported if they meet these criteria for the distance students live from their school:               <ul style="list-style-type: none"> <li>• Elementary: more than 1.0 mile</li> <li>• Middle: more than 1.5 miles</li> <li>• High: more than 1.8 miles</li> </ul> </li> <li>• Students crossing hazardous routes may be transported at distances under those limits</li> </ul> | <ul style="list-style-type: none"> <li>• Walking for most students in the school district</li> <li>• Some students walk and then are transported to the Bucks County Technical High School</li> <li>• Transportation for special education students and students in vocational school</li> </ul> |
| Vehicle Counts (2022-23)     | <ul style="list-style-type: none"> <li>• School buses: 96 operated by PSD</li> <li>• Vans: 6 operated by PSD</li> <li>• Specialized service from BCIU</li> </ul>  | <ul style="list-style-type: none"> <li>• School buses: 1 contracted</li> <li>• Vans: 3 operated by MSD</li> <li>• Specialized service from BCIU</li> </ul>   |
| Pupils Transported (2019-20) | 9,827 students <ul style="list-style-type: none"> <li>• Public non-hazardous routes: 6,813</li> <li>• Public hazardous routes: 2,005</li> <li>• Non-public: 1,009</li> </ul>  | 64 students (non-hazardous routes)   |

**Sources:** Information provided by the two school districts, and the Department of Education’s Summary of Pupil Transportation subsidy report for the 2020-21 payable school year.

Given its small geographic size, Morrisville is a walking school district, and it does not currently provide transportation to charter schools or non-public schools. Most of Morrisville’s students walk to its two school buildings, with the exception of students attending the Bucks County Technical High School (BCTHS) and some special education students. Students attending BCTHS walk to the Morrisville Middle / Senior High School to be transported by bus to BCTHS. This trip was reported to the study team as sometimes requiring over an hour of travel from leaving the home to arriving at the technical school.



Morrisville does not own buses, and it currently contracts with the Neshaminy School District for the bus service to BCTHS. Morrisville also contracts for buses for school trips and athletics.

Morrisville’s special education students may receive transportation based on the requirements of the Individualized Education Program for each student. Students may be transported to Morrisville’s two buildings, charter schools, or other specialized programs operated by Bucks County Intermediate Unit and other providers. Morrisville currently operates three vans to transport some students; however, these vans do not have specialized equipment such as wheelchair lifts.

Pennsbury provides transportation to its students meeting the criteria established by the School Board and described in the table above. Students receive transportation to Pennsbury’s school buildings, charter schools, and non-public schools. Pennsbury currently operates 96 buses and 6 vans, and it recently completed a routing efficiency study with Transfinder, which resulted in changes to bus routes at the start of the 2022-23 school year. Currently, Pennsbury uses a three-tiered schedule for runs, which means most buses will make three trips to and from schools, picking up different grade levels each time. In the current structure, high school students are picked up first, followed by middle school students, and ending with elementary school students. Pennsbury is in the process of completing a bell time study with Transfinder to evaluate potential changes in school start times. The impacts of changes in the school start times may affect transportation requirements in Pennsbury, and these impacts were not included as part of this study.

Pennsbury’s transportation department has one director and two supervisors who oversee the department’s operations in the routing and maintenance divisions. The routing division manages staff assignments, routes, and daily dispatching for all buses and vans. The maintenance division manages the repair and maintenance of vehicles as well as storage and refueling at the four bus yards. Pennsbury currently budgets for six mechanics to maintain its vehicles.

## Expenditure Summary

The table below shows the 2022-23 budgeted expenditures for the Pennsbury and Morrisville school districts separated by the Pennsylvania Department of Education chart of accounts codes for function 2700, which is designated for student transportation services, and object code, which specifies the type of spending.

**Pennsbury and Morrisville School Districts  
2022-23 Budgeted Transportation Expenditures (Function 2700)**

| Object Code                    | Object Description                            | Pennsbury           | Morrisville      |
|--------------------------------|---|---------------------|------------------|
| 100                            | Salaries                                      | \$3,862,707         | \$48,090         |
| 200                            | Employee Benefits                             | \$2,557,128         | \$31,389         |
| 300                            | Purchased Professional and Technical Services | \$63,000            | \$800            |
| 400                            | Purchased Property Services                   | \$227,092           | \$0              |
| 516                            | IU Transportation                             | \$1,967,542         | \$580,000        |
| 510                            | Purchased Transportation Services             | \$114,765           | \$37,000         |
| 500                            | Other Purchased Services                      | \$195,579           | \$6,000          |
| 600                            | Supplies (including fuel)                     | \$1,386,092         | \$5,500          |
| 700                            | Property (vehicles and equipment)             | \$1,043,779         | \$1,000          |
| 800                            | Other Objects                                 | \$236               | \$0              |
| <b>Total</b>                   |   | <b>\$11,417,920</b> | <b>\$709,780</b> |
| <b>Estimated Reimbursement</b> | <b>Commonwealth reimbursement</b>             | <b>\$1,653,902</b>  | <b>\$49,000</b>  |
| <b>Net Total</b>               |   | <b>\$9,764,018</b>  | <b>\$660,780</b> |

Source: Financial data provided by the two school districts.



In the table above, Morrisville's gross student transportation costs are approximately 3.1 percent of total district expenditures for 2022-23, while Pennsbury's transportation costs are 4.9 percent. These percentages reflect the differences in transportation structures noted above. Pennsbury offers transportation service to all eligible students due to the geographic spread of its school buildings. In addition, Pennsbury's buses and vans are staffed by its own personnel, so the largest expenditures in its transportation budget are for salaries and benefits. Although Morrisville is a walking school district, it still incurs transportation costs for students transported to BCTHS and special education programs. The majority of Morrisville's transportation costs are for specialized contract services provided by the IU since Morrisville's vans do not have equipment such as wheelchair lifts.

The Pennsylvania Department of Education provides a subsidy to offset the costs of transportation service, and this subsidy is based on financial and operational data submitted by each school district annually. Information such as ridership, mileage, and vehicle utilization are incorporated into a formula-based subsidy, and revenues are received on a lagged basis. In the 2022-23 school year, revenues received from the transportation subsidy are for financial and operational data submitted for the prior year.

Both Pennsbury and Morrisville have budgeted for the receipt of transportation subsidy payments in the 2022-23 school year. Since 2021-22 audited financial and operational data were not available at the time of the study, the analysis focuses on current year budgeted costs and estimated reimbursements as a way to simplify the comparison. Pennsbury budgeted for \$1,653,902 in transportation subsidy payments, which is 14.5 percent of the budgeted transportation expenditures for the current school year. Morrisville budgeted for \$49,000 in transportation subsidy payments, which is 6.9 percent of the budgeted transportation expenditures for the current school year.

## **Transportation Requirements for Morrisville Students**

Since Morrisville does not offer transportation for the majority of its students, the study has estimated the transportation needs for the merger and tuition scenarios based on information from the current 2022-23 school year, and estimated enrollment for future years after the merger or tuition agreement begins.

### **Factors Impacting Transportation Requirements**

Many different enrollment and operational factors affect the number of vehicles required to transport students in a school district. Each of the different items discussed in this section will affect the number of vehicles that Pennsbury would need to add in order to provide transportation service for Morrisville's students.

The most important factor is the total number of students requiring transportation, which would include students attending school in Pennsbury as well as students enrolled in charter schools or non-public schools. As noted in the Enrollment chapter, this study reviews current enrollment patterns among all types of schools, as well as potential shifts in those patterns after a merger or tuition agreement would begin. The study assumes that all of Morrisville's students would need to be transported if attending school outside of the borough since Pennsbury's schools are located further from the boundaries of Morrisville, and the borough is separated from the Pennsbury schools by several major roads.

By State law, Pennsbury or Morrisville must provide transportation to students attending non-public and charter school located within ten miles of the boundaries of the school district if they transport their own similarly situated students. In a merger scenario, Morrisville students could be transported to schools within ten miles of Pennsbury's current boundaries, which would include a significant portion of Bucks County and extend into New Jersey.

In addition to enrollment levels and the location of schools, transportation requirements are also affected by the distribution of students within Morrisville. The concentration of students in different neighborhoods



will affect the number of routes and the density of stops. Physical capacity within a vehicle and seating policies will affect the number of students that can be assigned to a bus or van. Vehicle route assignments will need to incorporate travel times to ensure that there is enough time for drivers to complete start up procedures, drive from the depot to the first stop, load students at each stop, travel to the school building, and unload students at the school building. Therefore, the bell times of each school building set additional constraints for each school building, and these include the start times for Pennsbury's buildings, any buildings that would continue to be operated in Morrisville, non-public schools, and charter schools. Finally, all of these factors would impact Pennsbury's ability to assign a single vehicle for multiple runs, which is how buses are currently operated as noted above.

### **Vehicle Count Assumptions**

As outlined in the Enrollment chapter, the study assumes that there will be approximately 913 to 926 students attending school in Pennsbury, Morrisville, or charter schools in 2024-25 when the merger or tuition agreement would begin. The chapter notes the different considerations for how those patterns of enrollment will shift over time. In order to simplify the discussion of the study assumptions, the remainder of the section will focus on the enrollment levels for the merger scenario. The same assumptions for vehicle capacity and vehicle assignments are used in both tuition scenarios.

In 2024-25, Morrisville is estimated to have approximately 424 students in grades K to 5, 193 students in grades 6 to 8, and 220 students in grades 9 to 12, a total of 837. Pennsbury's elementary school routes typically have between 40 and 70 students assigned to each bus. Assuming Pennsbury could fill the buses at 60 students, which is slightly above the mid-point of the assigned student range for current buses, Pennsbury would need 7 vehicles to transport Morrisville's K to 5 students. Pennsbury's middle and high school routes have an average of 50 students assigned to each bus. Using an average of 50 students per vehicle, Pennsbury would need 4 vehicles to transport Morrisville's students in grades 6 to 8, and 4 to 5 vehicles for students in grades 9 to 12. Although some of Morrisville's high school students may drive to the Pennsbury High School campus, the study assumes that Pennsbury would need to add vehicles to accommodate the higher end of the range for high school students.

As noted above, Pennsbury runs its buses on three tiers to transport students to the elementary, middle, and high school buildings. Given the need to travel between Pennsbury's bus depots and Morrisville, the study does not assume that Pennsbury would be able to achieve three tier runs. Rather, it assumes that Pennsbury would be able to operate the middle and high school runs as two tiers, and that the elementary schools would require single runs for transportation. Using these assumptions, Pennsbury would need to add 12 vehicles to transport Morrisville's K to 12 students. These figures are increased as enrollment is projected to increase based on the assumptions outlined in the Enrollment chapter. In practice, this number could be reduced if Pennsbury could run some of the elementary school runs as two tiers, structure the runs as three tiers, or transport some of Morrisville's students on existing runs that travel near the boundaries of Morrisville. However, these potential efficiencies are not included in the assumptions.

Under the merger and tuition scenarios, Morrisville's students would receive general transportation service, which would require equivalent transportation accommodation for students enrolled in non-public and charter schools. Since information regarding the number of students enrolled in non-public schools is limited and the number of those students who would require transportation is unavailable, the study assumes that 75 percent of the students would need to be transported.<sup>33</sup> This would require three vehicles for non-public school students attending non-public schools; one additional vehicle is assumed for students attending charter schools. Pennsbury may be able to reduce this figure if Morrisville's students attending non-public or charter schools are able to be accommodated on existing runs.

---

<sup>33</sup> For comparison, Pennsbury transports approximately 1,000 non-public students as noted above, while Census data indicates that there are about twice as many non-public students overall.



Approximately 20 percent of Morrisville students receive special education services and some of these students require the use of nine-passenger vans. Some of these students currently use the vans owned by Morrisville, and some students are transported by the IU. The study assumes that Pennsbury would continue to operate Morrisville’s three vans, and one additional van is assumed to be required for transportation of homeless students not residing in Morrisville (as required by federal law).

The study assumes Pennsbury would also need one additional spare bus based on industry standards that recommend one spare bus for every ten vehicles. This is to provide a spare vehicle to use when a bus is out of service for maintenance. The spare vehicles can also provide extra capacity for after school programs, field trips, athletic trips, and other uses.<sup>34</sup>

These assumptions are summarized in the table below for all three scenarios considered in the study. A similar approach to the one outlined above was used to develop the vehicle assumptions for the tuition scenarios based on the student counts outlined in the Enrollment chapter.

### Estimated Transportation Requirements

|                            | Scenario 1: Merge<br>Grades K to 12 | Scenario 2: Tuition<br>Grades 3 to 12 | Scenario 3: Tuition<br>Grades 6 to 12 |
|----------------------------|-------------------------------------|---------------------------------------|---------------------------------------|
| <b>Ridership (2024-25)</b> |                                     |                                       |                                       |
| Elementary School (K-2)    | 424                                 | 0                                     | 0                                     |
| Elementary School (3-5)    |                                     | 214                                   | 0                                     |
| Middle School (6-8)        | 193                                 | 193                                   | 193                                   |
| High School (9-12)         | 220                                 | 220                                   | 220                                   |
| <b>Total</b>               | <b>837</b>                          | <b>627</b>                            | <b>413</b>                            |

### Bell Times

|             |                                     |                       |                       |
|-------------|-------------------------------------|-----------------------|-----------------------|
| Pennsbury   | Status Quo                          | Status Quo            | Status Quo            |
| Morrisville | All Grades Transported to Pennsbury | K-2 Matches Pennsbury | K-5 Matches Pennsbury |

### Estimated Buses (2024-25)

|                                  |           |           |           |
|----------------------------------|-----------|-----------|-----------|
| Elementary (Single Tier)         | 7         | 4         | 0         |
| Middle / High School (Dual Tier) | 5         | 5         | 5         |
| Non-Public / Charter School      | 4         | 4         | 4         |
| Spare                            | 1         | 1         | 1         |
| <b>Total</b>                     | <b>17</b> | <b>14</b> | <b>10</b> |

### Estimated Vans (2024-25)

|   |   |   |   |
|---|---|---|---|
| Special Education and Homeless Transportation | 4 | 4 | 4 |
|---|---|---|---|

### Vehicle Cost Assumptions

The cost estimates in the table below show the full per vehicle costs for buses and vans based on information provided by Pennsbury and general assumptions based on industry standards. With significant fixed costs for each vehicle, Pennsbury should focus its bus routing and scheduling efforts to minimize the number of vehicles and drivers. This could include seeking more efficient routes as outlined above, or by assigning additional bus runs to the existing fleet.

<sup>34</sup> The study team assumes that Pennsbury already maintains sufficient spare bus capacity for its current fleet and transportation requirements.



## Operating Costs for Buses and Vans

| Category                               | Bus             | Van             |
|--|-----------------|-----------------|
| <b>Vehicle</b>                         |                 |                 |
| Purchase Price                         | \$120,000       | \$38,000        |
| <b>Amortized (10-year Useful Life)</b> | <b>\$12,000</b> | <b>\$3,800</b>  |
| <b>Driver (6-hour day)</b>             |                 |                 |
| Wages                                  | \$24,722        | \$21,353        |
| Net Benefits                           | \$21,936        | \$21,188        |
| <b>Net Cost</b>                        | <b>\$46,658</b> | <b>\$42,540</b> |
| <b>Driver (8-hour day)</b>             |                 |                 |
| Wages                                  | \$32,963        | \$28,470        |
| Net Benefits                           | \$23,765        | \$22,768        |
| <b>Net Cost</b>                        | <b>\$56,728</b> | <b>\$51,238</b> |
| <b>Operating Costs</b>                 |                 |                 |
| Fuel                                   | \$3,900         | \$1,560         |
| Vehicle Insurance                      | \$1,000         | \$1,000         |
| Tires / Maintenance                    | \$2,000         | \$2,000         |
| <b>Total</b>                           | <b>\$6,900</b>  | <b>\$4,560</b>  |
| <b>Total (6-hour day)</b>              | <b>\$65,558</b> | <b>\$50,900</b> |
| <b>Total (8-hour day)</b>              | <b>\$75,628</b> | <b>\$59,598</b> |

The cost framework in the table above is used to estimate the financial impacts of the vehicles added in each scenario of the study. Costs are adjusted for salary increases, benefits cost growth, and inflation as outlined in the Baseline Financial Projections and Scenario Projections chapters of the study.

The study does not include capital costs for adding parking spaces at Pennsbury High School for Morrisville students who drive to school. There may be other costs not identified in the analysis above.

### Routing and Scheduling Required to Minimize Vehicles Needed

In discussions with Pennsbury, the administrative staff indicated that adding routes due to a merger or tuition agreement would not require additional central office or supervisory staff. In order to prepare for transporting Morrisville's students, the study team's interviews found that Pennsbury would need at least three months to recruit and train drivers for the new routes in Morrisville. Given the challenges facing Pennsbury and other employers of drivers, this timeline may need to be extended further. Pennsbury's administrative team also would need approximately three months to plan and route the vehicles, which could take place concurrently with recruitment.

As noted in the analysis above, the number of vehicles required depends on how buses and vans are routed and scheduled in Pennsbury's transportation system. With sophisticated routing and scheduling, the required number of vehicles needed to transport Morrisville's students may be reduced compared to the study assumptions. In the study analysis, it is assumed that buses would begin picking up students in Morrisville beginning with the high school students and deliver them to Pennsbury High School based on the current bell structure. Following this run, the same number of buses, not necessarily the same buses, would pick up Morrisville's students in grades 6 to 8 and transport the students to the middle school



campus. In this case, using different buses may be best option because there may be other vehicles passing by Morrisville that could be routed to pick up the middle school students, such as a return bus from a non-public school route. Given the geographic spread of Pennsbury's elementary schools, the study assumes that single run tiers would be require for vehicles, and that Pennsbury would need to conduct a more detailed review to determine if multiple runs are feasible.

Under either a merger or a tuition agreement, Morrisville would likely need to adjust its bell times to Pennsbury's schedule if buildings remain open in Morrisville. As noted previously, Pennsbury has commissioned a routing study, which may change the structure of bell times at the three school levels before the start of the date of a merger or tuition agreement. Given the logistics of revising bell time structures, the decision to change bell times should occur in a different year than the start of a merger or tuition agreement to educate Morrisville's students.

The results of the bell time study should be considered when determining the number of additional buses needed to transport Morrisville students to Pennsbury. Currently 50 minutes is available for bus runs between school start times for the Pennsbury High School and the Pennsbury middle schools. That amount of time means a bus would need to deliver Morrisville's high school students to Pennsbury, then the bus would have 50 minutes to return for Morrisville's middle school students, and then return to Pennsbury's middle school campus. Given the distance needed to travel along a bus route, this amount of time will only be adequate if buses make a few stops in Morrisville before returning to Pennsbury. This may be possible if Morrisville students walk to two or three bus stops and load quickly. However, this would need to be balanced with other considerations since fewer bus stops will require longer walks from homes to the bus stops.

Both school districts use vans to transport special education students in accordance with the requirements of each student's IEP. Both Pennsbury and Morrisville supplement district-driven vans with vans contracted through the IU. Transportation for students with special needs will need to be considered in addition to routing larger buses. The study assumes that current levels of van transportation will need to be maintained and does not include any efficiencies that may be available in a merger or tuition scenario, or simply as a result of cooperation between the two districts.

As noted, sophisticated routing and scheduling will require that the transportation managers at Pennsbury have adequate time to plan for the logistics of transporting Morrisville's students. However, that time is available, assuming a 2024-25 implementation. In order to prepare for the efficient transportation of Morrisville's students, Pennsbury should work with Morrisville to ensure that key analyses are completed. The actual number of riders should be compared to the number of students assigned to ride the buses. Bell times and travel times in the software system should be refined and include any adjustments for differences in traveling through Morrisville. The practices of loading and unloading should be studied to minimize the time buses spend at the schools, or to make adjustments based on the spacing of bus stops in Morrisville.

The policies regarding eligibility to ride the buses or vans should be evaluated. For regular students, this means reviewing the walking zones. For special education students, this requires review of IEPs to determine whether special education students can ride the regular bus rather than requiring a special education van. The bus routing staff should receive the training necessary to become very proficient on using the Transfinder software.



## Governance

A merger would have a very different impact on the governance structures of the Pennsbury and Morrisville school districts than a tuition arrangement. Under a merger, the two school boards would combine, and the newly formed school district would transition to a single nine-member Board of School Directors over a period of time. Under a tuition agreement, Pennsbury and Morrisville would retain their separate nine-member school boards, and the two school districts would enter into a contractual agreement for the payment of tuition to Pennsbury for the costs of educating Morrisville students.

This chapter describes the potential governance issues that need to be addressed under either of these scenarios, providing some illustrative examples. Projected costs are discussed in the Scenario Financial Projections chapter of this report, building configurations are discussed in the Enrollment and Facilities chapters, and the academic programs are discussed in the Academics chapter.

### School District Merger

In Pennsylvania, only one voluntary school district merger has occurred since the last major round of legislatively mandated school mergers in the 1960s and the 1970s. Beginning in the 2009-10 school year, the Center Area and Monaca school districts merged elementary schools, and the merger was completed in the following school year with the addition of secondary schools.

After the creation of the Central Valley School District, several studies were commissioned to learn from the merger and offer recommendations for other school districts. These include a 2009 study prepared by the Pennsylvania School Boards Association (PSBA) and the Pennsylvania Economy League – Central Division, a 2017 report prepared for a Joint State Government Commission, and several other reports. In 2019, the Department of Education developed a merger tool kit to be used by school districts to prepare feasibility studies or applications to the Pennsylvania Department of Education and the State Board of Education. The lessons learned from Central Valley, studies commissioned over the years, and the merger tool kit provide an outline for Pennsbury and Morrisville to follow as the two school districts consider a potential merger.

#### Merger Process and Timeline

Based on the School Code, there is a four-step process for two or more school districts to merge:<sup>35</sup>

- Each individual school board adopts a resolution by majority vote identifying the areas that will be merged
- The school districts prepare an application for submission to the Secretary of Education
- The Secretary of Education places the application on the agenda for consideration by the State Board of Education
- If approved, the Secretary of Education would certify the creation of the new school district

The Department of Education is likely to be an active partner in this process based on the experience of Central Valley and the merger toolkit developed in 2019. The Department might be expected to provide input and guidance to the two school districts during the development of the merger application. Additional feedback may be provided to refine the application before it is submitted to the State Board of Education for consideration.

---

<sup>35</sup> The Public School Code, Act of March 10, 1949 (P.L.30, No.14) § 224; 24 P.S. § 2-224.



After the merger occurs, the two school boards are combined. The new board has 18 members, but the prior boards will have determined in their application to the Commonwealth whether the future new board will eventually include nine members elected at large, nine members elected by districts, or nine members elected in three three-member districts. Incumbent members serve until the end of their terms. The School Code describes how subsequent elections transition from the initial combined 18-member board to a nine-member board for the new school district.

An overview of the creation of the Central Valley School District is instructive in anticipating the process for and issues related to future mergers in Pennsylvania.

### **Case Study: Central Valley School District**

Prior to the merger discussion, both the Center Area and Monaca school districts had experienced declining enrollment and growth in the costs of operating educational programs. Over time, both school districts had slowly reduced courses, extracurricular activities, and other offerings for students. In early 2008-09 the two districts had total enrollment of 2,421, with about one-quarter of the students enrolled in Monaca.

As in many communities around the Commonwealth, discussions about a potential merger had taken place in the two districts informally and periodically over a number of decades. In 2005, Center Area and Monaca agreed to complete a feasibility study to determine the academic impacts of a merger. Later in the process, a separate financial feasibility study would be commissioned. Overall, the merger of the two districts took approximately four years to complete from the approval of the study to the start of the 2009-10 school year when the elementary programs were merged.

#### *Governance*

After separate 9-0 votes for approval from the Center Area and Monaca school boards, the new Central Valley School District started with an eighteen-member Board of School Directors. As noted above, the School Code provides newly formed school districts with three options for apportioning school board seats: all at-large, nine separate voting districts, or three voting precincts each with three members.<sup>36</sup> Central Valley opted for three districts, with two assigned to Center Area and one assigned to Monaca. Over the next two election cycles, the size of the original school board was reduced based on the terms of the members and the districts where they resided. Four seats were not filled in the first election, and five seats were not filled in the second election.

#### *Academics*

After the creation of the Central Valley School District, the school buildings were reconfigured from their previous uses in Center Area and Monaca. Center High School became Central High School for the combined communities, and the former Monaca High School was converted to Central Middle School. Center Area had two elementary school buildings that had more recent capital investments, and the two elementary schools in Monaca were closed.

Before the merger took place, Center Area had partially implemented a 90-minute block schedule, and Monaca operated on a traditional eight-period school day. Central Valley opted for a shorter 55-minute block period school day, and professional development was provided to staff to work with the new schedule. Combining operations allowed Central Valley to adopt a team approach at the new middle school, which had been a pre-merger goal of each of the two separate school districts.

---

<sup>36</sup> The Public School Code, Act of March 10, 1949 (P.L.30, No.14) § 308; 24 P.S. § 3-308.



In order to align the curricula of the two school districts, Central Valley retained the superintendent of Monaca to oversee the process of reviewing and updating curriculum, materials, and the programs of study. Committees of teachers and administrators were established to oversee curriculum areas (for example Math or Science), as well as special topics (for example middle school team implementation). The committees reviewed the information from Center Area and Monaca to develop plans to integrate the programs. The Central Valley superintendent (from Center Area) and the assistant superintendent (from Monaca) provided advice and guidance to the committees as they worked through the process.

### *Finances*

The combined Central Valley School District opted for an equalized millage rate compared to the rates levied by the Center Area and Monaca school districts. After the merger, the tax levy was set to 46.8 mills, which resulted in a 3.4 mill decrease in Center Area (6.8 percent reduction), and a 1.8 mill increase in Monaca (4.0 percent increase).

The 2017 Joint State Government Commission report found that the formation of Central Valley resulted in lower total expenditures compared to the sum of the two budgets before the merger took place. Total expenditures did not exceed the budgets of the two former independent school districts until two years after the merger took place. In addition, the report found that administrative expenditures per ADM were lower after the process was completed.

### **Key Considerations for a Merger**

If Pennsbury and Morrisville decide to proceed with the merger process, the school districts would need to address the following issues:

- **Decision-making process:** Ultimately, the two school boards must vote on the decision to merge, and it is likely that the two school boards would choose to gather additional public input into the process. This will likely include multiple public hearings to evaluate the findings of this study and to delve into the specific school configurations and student assignments that would be most desirable. Although not required by the School Code, the school districts could choose other options to get feedback from residents and other stakeholders, which could include surveys, focus groups, or voter referendum.
- **Creation of an application:** While many of the elements of this study could comprise part of an application that would be submitted to the Department of Education, significant additional information would be needed relating to the specific post-merger structure chosen, and to cover issues not included in this initial feasibility review.
- **Initial coordination:** Prior to merging, Pennsbury and Morrisville will need to coordinate in a number of areas during the decision-making and application steps described above. These would include data sharing, preparing staff schedules and transportation routes, developing an initial budget for the first merger year, and other areas. As noted in the case of the Center Area School District, this will require extensive collaboration between administrators, teachers and others in the two districts.
- **Integrating the two school boards:** Following a merger, the combined school district would need to create a process for governing and decision-making with a large number of School Board members for the first several years.



## Tuition Agreement

In contrast to a school district merger, with a tuition agreement Pennsbury and Morrisville would remain separate entities. Under this scenario, the two school districts would develop a contract stipulating the services that would be provided by the receiving school district, Pennsbury, and the payment structure and process for the sending school, Morrisville.

### Example Tuition Agreements

Over the past several decades, the use of tuition agreements has been more common than undertaking mergers. In the table below, information on four current tuition agreements is summarized.

**Tuition Agreement Summary**

| Sending School District          | Duquesne City SD   | Midland Borough SD   | Saint Clair Area SD                | Wilkesburg Borough SD                                  |
|----------------------------------|--|--|------------------------------------|--|
| Receiving School District        | West Mifflin Area SD and East Allegheny SD   | Beaver Area SD   | Pottsville Area SD                 | Pittsburgh Public Schools                              |
| Structure                        | Statutory under School Code Section 1607   | Contractual agreement  | Contractual agreement              | Contractual agreement                                  |
| Starting Year                    | 2007-08  | 1986-87 (see below)  | 1989                               | 2015-16  |
| Current Term                     | Indefinite   | 20-year term<br>2015-16 to 2034-35   | 10-year term<br>2016-17 to 2025-26 | 5-year term<br>2021-22 to 2026-27                      |
| Current Per Student Tuition Rate | \$15,817   | \$ 10,226  | \$8,000 <sup>37</sup>              | \$10,317   |
| Annual Increases                 | Greater of Duquesne SD's Adjusted Act 1 Index or annual increase in Duquesne's budgeted revenues | Annual increase or decrease based on the certified tuition rates from the PDE Office of Comptroller Operations | Flat for the 10-year period        | Adjusted Act 1 Index or other agreement by the parties |

### Midland Borough School District Clarification

The Midland Borough School District eliminated its high school in 1986 and sent its students to the Beaver Area School District starting in the 1986-87 school year. The agreement continued until 1993-94 when the Beaver Area School Board voted not to renew the contract. Midland explored other options over a number of years, which included sending students to a high school in Ohio operated by the East Liverpool School District. Over time, an alternative charter school was opened in Beaver Area, and many students from Midland began attending that school, as well as enrolling in cyber charter schools in Pennsylvania. Finally, Midland and Beaver Area came to terms in 2015-16 on a new agreement to allow students to attend Beaver Area High School.

### Key Considerations for a Tuition Agreement

If Pennsbury and Morrisville decide to proceed with the tuition agreement, the school districts would need to address the following issues:

<sup>37</sup> Based on the estimated 200 students at the signing of the agreement in 2016. The tuition rate is a flat \$1.6 million for the ten-year period.



- **Purpose:** Pennsbury and Morrisville may find a tuition agreement to be less complicated than a merger, especially in the areas of taxes, transition and governance. A tuition agreement would also allow for modifications to meet changing conditions, and even termination.
- **Contract term:** As shown above, each of the three school districts with contractual agreements have varying contract lengths. A longer contract would provide more budget stability for planning purposes in the two school districts, provide more time for transition issues to be resolved, and provide more academic stability for students. While the examples above show that tuition arrangements can run for many years, during Feasibility Committee meetings there were suggestions that a tuition agreement should be of specific duration followed by a reconsideration of options. Duration may be an issue that the two school districts wish to consider.
- **Tuition rate:** Pennsbury and Morrisville will need to agree to a tuition rate to provide sufficient resources to support the academic programs, transportation, and other services received by students.

In the table above, Midland uses the tuition rates annually certified by the Department of Education's Office of Comptroller Operations. Although these State-calculated rates were also the basis of the original rates paid by Duquesne, the annual growth in Duquesne's tuition rates has varied compared to the Comptroller rates since Duquesne's agreement is governed by a special provision of State law. It is important to note that the law has led to rates that are considered unsustainable by Duquesne.

The tuition rates for Wilkesburg were developed by evaluating the additional costs that Pittsburgh would need to add for teachers, transportation, and support staff.

Based on the available information, it is unclear how Pottsville arrived at the tuition rate for the students from Saint Clair. In 2015, Saint Clair issued a request for proposal to evaluate tuition or merger options from surrounding school districts. Pottsville's submission to this RFP set the final rate for the current agreement with the school districts.

Using the certified rates from the Comptroller provides an objective calculation of student costs. This rate is based on of selected costs considered from the receiving district's annual financial report, and the average daily membership for the school districts. Since this is an annual calculation, this can increase or decrease depending on the underlying trends in a school district. The tuition rate uses an average cost approach to arrive at a cost per student.

Calculating an independent rate, such as the approach in Wilkesburg, can more accurately describe the marginal costs that would be incurred in a tuition agreement. If this option is chosen by the two school districts, then the administrations and school boards would need to agree to the underlying methodology and the costs captured in the rate calculation.

This study uses a marginal cost per student to calculate a tuition rate that reflects the actual costs that would be incurred by Pennsbury to educate students from Morrisville. The tuition rate also includes an overhead factor in order to capture unbudgeted costs, staff time and externalities, and to provide support for Pennsbury's long-term capital plan.

- **Annual increases:** Annual increases in the tuition rate must balance the costs of providing services to the students with the sending school district's ability to pay (often related to its capacity for revenue growth). Increased costs were one of the reasons why Saint Clair sought an



RFP to evaluate alternative options after it received an initial request from Pottsville for a significant increase in tuition.

In Duquesne, the rate increases each year based on the language of the statute. Given the length of time since the use of the original Comptroller rates, this has resulted in a significant difference between the Comptroller rate and the amounts currently paid by Duquesne. Duquesne is currently evaluating its options for resolving these issues with its partner school districts and the Commonwealth.

- **Contingency plans:** Although the initial tuition agreement may be signed with good intent on the part of both Pennsbury and Morrisville, conditions can change over time as shown in the experience of Midland and Saint Clair. Morrisville may need to develop a contingency plan in future years if the agreement is not renewed.

When Beaver Area decided not to renew its agreement in the early 1990s, Midland was forced to look at other options to educate its high school students since it had closed its building. It took nearly two decades before a replacement agreement was signed with Beaver Area.

Saint Clair felt that it could not support the proposed increase in tuition at the conclusion of its last agreement with Pottsville. In response, Saint Clair used an RFP process to determine which other options may be available to the school district. In the final agreement, Pottsville significantly reduced its tuition offer to educate the Saint Clair high school students.

- **State review:** While it does not appear that the Pennsylvania Department of Education has to approve a tuition agreement between two districts, there are likely aspects of the agreement that would need Commonwealth approval, such as the configuration of school buildings and the elimination of certain grades at the sending district. In this study, a key assumption that is at the discretion of the State is Morrisville's continued receipt of \$1.0 million per year Ready to Learn block grant funding.

## Additional State Financial Support for a Merger or Tuition Agreement

In prior cases where a school district merged or entered into a tuition agreement, the State has provided one-time and/or recurring funds to the school districts. In the Central Valley merger, the State covered transition costs and other expenditures with a one-time grant. When Pittsburgh and Wilkesburg entered into a tuition agreement for students in grades 7 to 12, the State provided an ongoing increase of \$3.0 million in revenue to support the additional expenditures for the instructional and support services provided to Wilkesburg's students.

In this study, the ten-year financial projections do not assume any additional financial support from the State in the merger scenario, and the \$1.0 million supplemental Ready to Learn block grant is not carried over to the merged school district. In the tuition scenarios, the study does not assume any additional State support beyond the \$1.0 million supplemental Ready to Learn block grant that is assumed for Morrisville in the baseline projections. Throughout this report and the Scenario Financial Projections chapter, the study team identifies areas where additional support from the State could address issues that have been raised in the analysis.



## Baseline Financial Projections

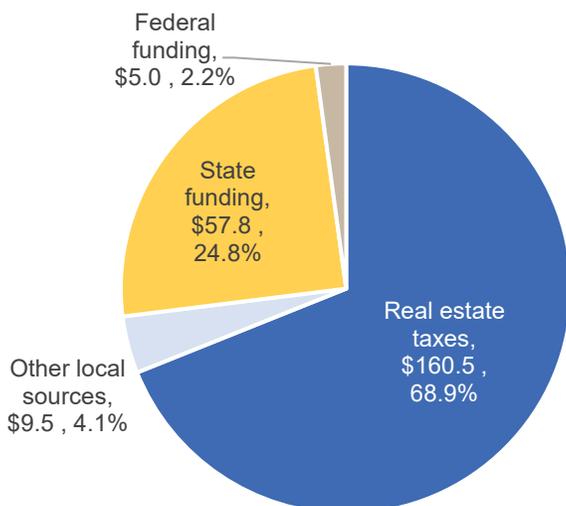
As part of the financial analysis, the study team developed a ten-year projection model to incorporate assumptions about the major drivers of the budgets for Pennsbury and Morrisville. In order to evaluate the financial impacts of the merger and tuition scenarios, a baseline scenario was created for each district as a point of comparison to highlight the changes in assumptions under the alternative scenarios. The projections incorporated financial and operational data provided by Pennsbury and Morrisville supplemented by staff interviews and publicly available data from other sources, such as the Pennsylvania Department of Education. The major drivers of the budgets for the two school districts and the assumptions used in the baseline financial projections are described below.

In the baseline projections, it is assumed that Pennsbury and Morrisville continue to function as independent entities with no further collaboration in areas that would affect academic programs, finances, or operations. The baseline projections do not assume a status quo state where the school districts do not respond to financial or operational pressure points. In all Pennsylvania school districts, cost categories tend to grow faster than revenues over a long enough time period, and corrective action must be taken to reduce growth in costs and raise additional revenues. In the baseline model projections, major revenue sources and cost categories continue to grow, mostly based on known events and historical trends, and each school district is assumed to make efforts to produce a balanced budget in the long-term. For example, the projections assume that both school districts regularly raise real estate tax rates at levels that provide sufficient resources to bring annual budgets close to balance and achieve a modest net operating balance in the final projected year in 2032-33.

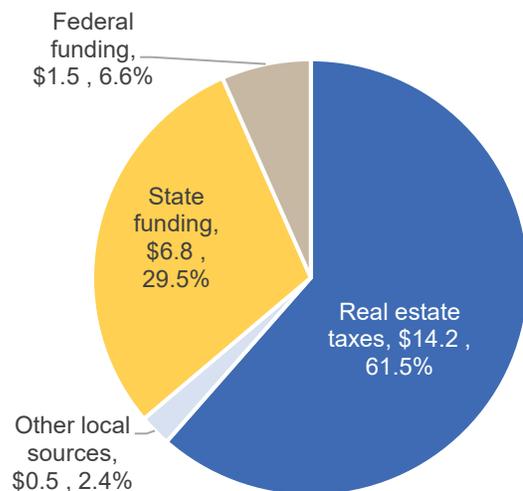
### Revenues

The figures below provide an overview of the adopted revenue budgets for Pennsbury and Morrisville in the 2022-23 school year. As shown, Pennsbury's revenue budget is over 10 times greater than Morrisville's in 2022-23. The following subsections further describe the key revenue drivers of for the two school districts along with a summary of the assumptions used in the baseline financial projections.

**Pennsbury School District  
2022-23 Budgeted Revenues  
\$232.8 million**



**Morrisville School District  
2022-23 Budgeted Revenues  
\$23.1 million**





## Real Estate Taxes

Real estate taxes are the largest source of revenue for both school districts. Financial results in all of the scenarios prepared for this study are affected by the underlying trends in assessed value and the ability to generate additional revenues through real estate tax rate increases.

In Pennsylvania, real estate tax assessments are usually set by the county, and wholesale reassessments of all property values are conducted infrequently. Oftentimes, there are many decades between each reassessment of properties. In the financial projections, it is assumed that Bucks County will not conduct a Countywide reassessment of properties during the study period, and that the underlying trends in assessed value continue for the two school districts.

### Pennsbury

In the 2022-23 budget, real estate taxes accounted for 69.0 percent of Pennsbury’s total revenues, which is consistent with the three years of audited financial data used in the financial analysis (2018-19 to 2020-21). In the baseline scenario, the financial projections assume that Pennsbury’s assessed value will grow at 0.75 percent based on expected trends used in Pennsbury’s internally developed financial projection model. This is slightly slower than the CAGR observed in Pennsbury’s historical assessed value data over the most recent five-year period; however, based on input from Pennsbury’s financial staff, taxable development is expected to slow in the near future.

**Pennsbury School District  
Baseline Real Estate Tax Millage Rates**

|                   | 22-23   | 23-24   | 24-25   | 25-26   | 26-27   | 27-28   | 28-29   | 29-30   | 30-31   | 31-32   | 32-33   |
|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                   | Budget  | Proj.   |
| Tax Rate          | 178.947 | 183.958 | 189.108 | 194.403 | 199.847 | 205.442 | 211.195 | 217.108 | 222.319 | 227.654 | 233.118 |
| Annual % Increase | 2.8%    | 2.8%    | 2.8%    | 2.8%    | 2.8%    | 2.8%    | 2.8%    | 2.8%    | 2.4%    | 2.4%    | 2.4%    |

In the baseline projections, Pennsbury’s millage rate increases by 2.8 percent per year until 2029-30 to reflect the assumptions of its internally developed financial projections. Tax rates grow at 2.4 percent annually beginning in 2030-31, reflecting more modest tax increases in the out-years as inflation begins to return to historical rates. On a compound annual basis tax rates grow by 2.7 percent over the full ten-year period. The total increase in the millage from 2022-23 to 2032-33 is approximately 30.3 percent.

The financial projections assume that Pennsbury’s current year collection rate is held flat at the 97.1 percent assumed in the 2022-23 adopted budget, and delinquent real estate taxes are adjusted each year to maintain a total collection rate of 98.7 percent based on the five-year average for the years from 2016-17 to 2020-21.

### Morrisville

In the 2022-23 budget, real estate taxes accounted for 61.0 percent of Morrisville’s total revenues, which is slightly higher than the three most recent years of audited financial data.<sup>38</sup> Although assessed value has increased in Pennsbury over the historical period reviewed for this study, assessed value in Morrisville is lower than the Pennsbury School District and is has been decreasing over time. In the baseline projections, Morrisville’s assessed value is projected to decrease by approximately \$60,000 per year, which is consistent with the average decreases in the five most recent years of assessed value reports available from the State Tax Equalization Board.

<sup>38</sup> Likely due to the one-time influx of federal pandemic funds during the prior period.



**Morrisville School District  
Baseline Real Estate Tax Millage Rates**

|                   | 22-23   | 23-24   | 24-25   | 25-26   | 26-27   | 27-28   | 28-29   | 29-30   | 30-31   | 31-32   | 32-33   |
|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                   | Budget  | Proj.   |
| Tax Rate          | 239.034 | 250.747 | 263.034 | 275.922 | 289.442 | 298.994 | 308.861 | 319.053 | 329.582 | 340.458 | 351.693 |
| Annual % Increase | 3.0%    | 4.9%    | 4.9%    | 4.9%    | 4.9%    | 3.3%    | 3.3%    | 3.3%    | 3.3%    | 3.3%    | 3.3%    |

Morrisville is assumed to raise its real estate tax rates by its 4.9 percent Adjusted Act 1 Index in the first four years of the projections to close a projected budget deficit. Annual tax increases slow to 3.3 percent for the remainder of the projections. On a compound annual basis, tax rates grow by 3.9 percent over the ten-year period, while the total increase is about 47.1 percent.

In the current 2022-23 school year, Morrisville’s real estate tax rate is 133.6 percent of the rate levied in Pennsbury. Over time, this gap widens as Morrisville is projected to require higher increases in the real estate tax rate to produce balanced budgets.

The financial projections assume that Morrisville’s current year collection rate is held flat at the 97.0 percent assumed in the 2022-23 adopted budget, and delinquent real estate taxes are adjusted each year to maintain a total collection rate of 98.5 percent based on the five-year average for the years from 2016-17 to 2020-21.

### Real Estate Transfer Taxes

Given the infrequency of property reassessments in Pennsylvania, there is often a difference between the market value of a property and the assessed value that is used to levy real estate taxes. In some school districts, a real estate transfer tax is levied on the market value of the property at the time of the transaction, which allows school districts to capture some of the value of increases in market prices.

#### Pennsbury

In the three most recent years of available audited financial statements (2018-19 to 2020-21), Pennsbury’s real estate transfer tax revenue exhibited significant volatility. This is not surprising given the changes in the real estate market during the pandemic and is a general characteristic of this tax. For those three years, revenues ranged from \$2.5 million in 2019-20 to \$3.9 million in 2020-21. In the financial projections, the 2022-23 budgeted amount of \$3.2 million is used as the starting point. In future years, revenues are projected to grow at 0.6 percent, which is based on the four-year CAGR for revenue from 2018-19 to 2022-23. This provides an additional \$18,000 to \$20,000 per year, and total revenues do not exceed \$3.5 million by the final projected year.

#### Morrisville

Morrisville also exhibited volatile real estate transfer taxes in the three most recent audited years, with revenues ranging from \$166,000 in 2018-19 to \$279,000 in 2020-21. Since Morrisville did not record significant growth in real estate transfer tax for the historical years from 2015-16 to 2018-19, the revenue source is held flat in the projections at the 2022-23 budgeted amount of \$150,000.

### Earned Income Taxes

In Pennsylvania, some school districts levy an earned income tax (EIT) to support school operations. As of the 2022-23 school year, neither the Pennsbury nor Morrisville school districts levy an earned income



tax or receive transfers from overlapping municipal governments or other entities with revenues collected from an earned income tax.

A member of the Feasibility Committee noted that Morrisville Borough approved a municipal EIT in 2022 and asked whether the Morrisville School District was receiving any of that revenue, and whether it could enact its own EIT. The study team determined that the Morrisville School District is not receiving any of the Borough's EIT revenue. Under Act 1 of 2006, after a tax commission study and approval by the voters, school districts in Pennsylvania can enact an EIT to fund school operations. If the EIT is approved, the school district must reduce real estate taxes by the same amount. Because adopting an EIT would have no positive or negative net financial effect on either Pennsbury's or Morrisville's finances, this study does not model the impact of an EIT that might be enacted by either school district.

## Major Commonwealth of Pennsylvania Subsidies (Basic Education Funding, Special Education Funding, and Ready to Learn Block Grant)

Basic and Special Education Funding (BEF and SEF) are among the largest sources of State revenue for both districts. The baseline scenario assumes that the Commonwealth continues to increase BEF and SEF at the historical rates that prevailed prior to the significant increases in the 2021-22 and 2022-23 school years. Beginning in the 2023-24 school year, the projections assume that Statewide allocations grow by \$180 million for BEF and \$35 million for SEF, and that both Pennsbury and Morrisville maintain their current share of formula-based funding in future years.

### Pennsbury

For Pennsbury, these assumptions yield an annual increase in BEF revenue of 2.1 percent, or approximately \$433,000 per year. For Pennsbury's SEF allocation, these assumptions yield an annual increase of 2.2 percent, or \$152,000 per year. Since Pennsbury's Ready to Learn block grant (RTL) allocation has not changed, revenues are held flat at approximately \$784,000 per year. Pennsbury's revenues from these sources are summarized in the table below.

**Pennsbury School District  
Baseline Major State Subsidies**

|              | 22-23          | 23-24          | 24-25          | 25-26          | 26-27          | 27-28          | 28-29          | 29-30          | 30-31          | 31-32          | 32-33          |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|              | Budget         | Proj.          |
| BEF          | \$18.07        | \$18.79        | \$19.22        | \$19.66        | \$20.09        | \$20.52        | \$20.96        | \$21.39        | \$21.82        | \$22.26        | \$22.69        |
| SEF          | \$5.81         | \$6.41         | \$6.56         | \$6.72         | \$6.87         | \$7.02         | \$7.17         | \$7.33         | \$7.48         | \$7.63         | \$7.78         |
| RTL Grant    | \$0.78         | \$0.78         | \$0.78         | \$0.78         | \$0.78         | \$0.78         | \$0.78         | \$0.78         | \$0.78         | \$0.78         | \$0.78         |
| <b>Total</b> | <b>\$24.67</b> | <b>\$25.99</b> | <b>\$26.57</b> | <b>\$27.16</b> | <b>\$27.74</b> | <b>\$28.33</b> | <b>\$28.91</b> | <b>\$29.50</b> | <b>\$30.08</b> | <b>\$30.67</b> | <b>\$31.26</b> |

### Morrisville

For Morrisville, these assumptions yield an annual increase BEF revenue of 1.2 percent, or approximately \$44,000 per year. For Morrisville's SEF allocation, these assumptions yield an annual increase of 2.8 percent, or \$29,000 per year.

Morrisville's base Ready to Learn block grant is held flat at approximately \$120,000 in each of the projected years. In recent school years, Morrisville has applied for and received a supplemental Ready to Learn block grant of \$500,000 to \$1.0 million from the Commonwealth. Morrisville has not included this revenue source in its annual budget. However, the baseline projections assume that Morrisville continues to receive the supplemental \$1.0 million in each year from 2023-24 to 2032-33 given the need to produce balanced budgets in future years and make investments in students, programs, and buildings. This is a critical assumption that is necessary even if Morrisville raises real estate taxes as assumed in the



baseline projection and described above. Morrisville's revenues from these sources are summarized in the table below.

**Morrisville School District  
Baseline Major State Subsidies**

|                        | 22-23         | 23-24         | 24-25         | 25-26         | 26-27         | 27-28         | 28-29         | 29-30         | 30-31         | 31-32         |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                        | Budget        | Proj.         |
| BEF                    | \$3.26        | \$3.40        | \$3.45        | \$3.49        | \$3.53        | \$3.58        | \$3.62        | \$3.66        | \$3.71        | \$3.75        |
| SEF                    | \$0.95        | \$0.93        | \$0.96        | \$0.99        | \$1.02        | \$1.05        | \$1.08        | \$1.11        | \$1.14        | \$1.17        |
| RTL Grant              | \$0.12        | \$0.12        | \$0.12        | \$0.12        | \$0.12        | \$0.12        | \$0.12        | \$0.12        | \$0.12        | \$0.12        |
| Supplemental RTL Grant | \$0.00        | \$1.00        | \$1.00        | \$1.00        | \$1.00        | \$1.00        | \$1.00        | \$1.00        | \$1.00        | \$1.00        |
| <b>Total</b>           | <b>\$4.33</b> | <b>\$5.45</b> | <b>\$5.53</b> | <b>\$5.60</b> | <b>\$5.67</b> | <b>\$5.75</b> | <b>\$5.82</b> | <b>\$5.89</b> | <b>\$5.96</b> | <b>\$6.04</b> |

## Fund Balance

In the table below, the audited total fund balances are shown for the General Fund for both Pennsbury and Morrisville. As shown in the table, Pennsbury has added to or maintained its fund balance in most recent years for which audited financial statements are available, while Morrisville has drawn down its fund balance and has had a negative fund balance in the last three audited years. As a percentage of audited total expenditures, Pennsbury's total fund balance has ranged between 8.1 percent and 8.6 percent in each of the years shown. Morrisville started with a total fund balance that was 12.4 percent of its audited expenditures in 2016-17 and ended with a negative fund balance of 6.2 percent of expenditures in 2020-21.

In the baseline financial projections, it is assumed that the audited 2020-21 fund balance is the starting point of the model. Since the 2021-22 audited financial statements have not been completed for the two school districts, the results of the previous and current school years could have an impact on the negative balance in Morrisville in particular.

**Audited Total Fund Balance  
Pennsbury and Morrisville School Districts  
2016-17 to 2020-21**

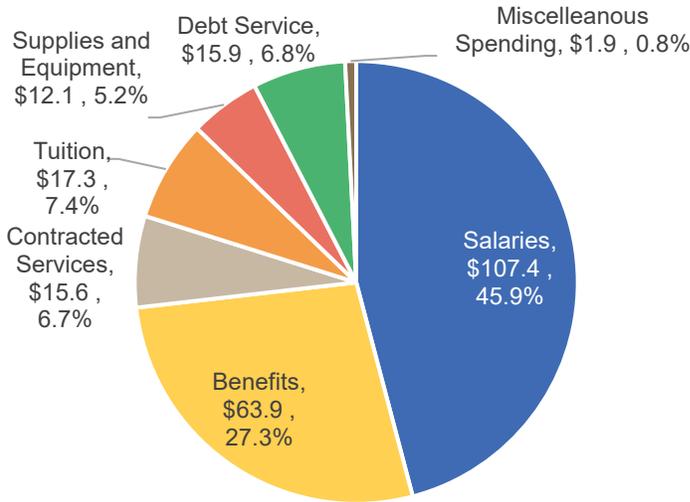
|             | 2016-17      | 2017-18      | 2018-19      | 2019-20       | 2020-21       |
|-------------|--------------|--------------|--------------|---------------|---------------|
|             | Actual       | Actual       | Actual       | Actual        | Actual        |
| Pennsbury   | \$17,609,101 | \$19,222,333 | \$18,371,300 | \$18,487,603  | \$18,571,101  |
| Morrisville | \$2,556,142  | \$810,253    | (\$75,108)   | (\$1,144,547) | (\$1,458,741) |

## Expenditures

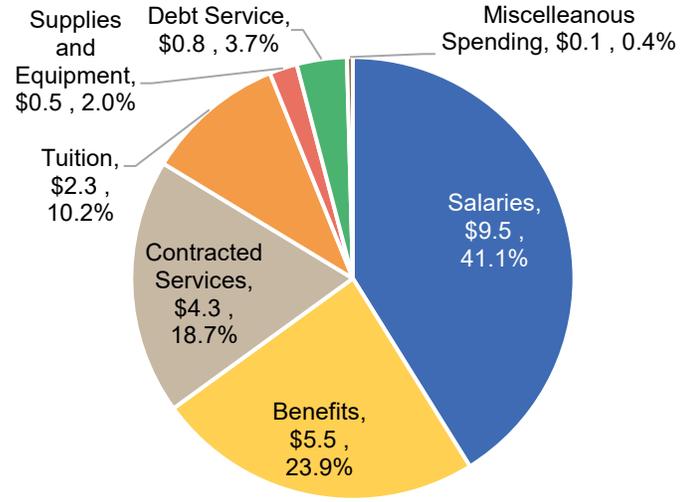
The charts below provide an overview of the adopted expenditure budgets for Pennsbury and Morrisville in the 2022-23 school year. As shown, Pennsbury's expenditure budget is over ten times greater than Morrisville's in 2022-23. The following subsections further describe the key expenditure drivers of for the two school districts along with a summary of the assumptions used in the baseline financial projections.



**Pennsbury School District  
2022-23 Budgeted Expenditures  
\$234.1 million**



**Morrisville School District  
2022-23 Budgeted Revenues  
\$23.0 million**



## Salaries

Salaries and benefits are the largest category of expenditures for both school districts, and future growth trends for these categories will have the largest impact on projected expenditures in all of the model scenarios. In the 2022-23 budget Pennsbury’s salaries and benefits comprised 73.1 percent of total expenditures, with almost two-thirds of that spending allocated to salaries. In Morrisville, salaries and benefits comprised 65.0 percent of the 2022-23 budget, also with a bit less than two-thirds allocated to salaries.

## Pennsbury

Pennsbury has three major workforce bargaining units: the Pennsbury Education Association (PEA), which represents teachers and other professional staff; the Pennsbury Educational Support Professionals Association (PESPA), which represents staff including but not limited to paraprofessionals, clerks, custodians, maintenance personnel, and drivers; and administrators (sometimes referred to as the Act 93 meet and discuss group). Pennsbury has separate contracts for certain exempt employees, which include some central office clerical staff and administrators such as the superintendent and chief financial officer. In the table below, the contract lengths are shown for Pennsbury’s three main bargaining units.

**Pennsbury School District  
Current Major Employee Contracts**

| Bargaining Unit | Contract Term               |
|-----------------|-----------------------------|
| PEA             | 2021-22 to 2025-26; 5 years |
| PESPA           | 2021-22 to 2026-27; 6 years |
| Act 93          | 2018-19 to 2022-23; 5 years |

In the baseline projections, the study team evaluated the impacts of the annual increases to the salary schedule and step increases provided to teachers and other professional staff, including those already set



for the next few years in the collective bargaining agreements. Some annual savings were assumed for the historical 30 retirements reported by Pennsbury to the study team to account for the replacement of more senior by more junior staff. This information was used to develop a 3.0 percent annual increase assumption in total spending for professional staff. Support staff salaries were assumed to grow annually by 2.0 percent, which would include the impact of annual increases in hourly rates, longevity movement across the salary schedule, and savings from retirements and other turnover. Salaries for administrators and all other staff were grown by the same 2.0 percent growth rate. Staffing levels for employees are not adjusted for fluctuations in enrollment or other conditions in the baseline projections.

### Morrisville

Morrisville also has three major bargaining units: the Morrisville Education Association (MEA), which represents teachers and other professional staff; the Morrisville Educational Support Personnel Association (MESPA), which represents staff including, but not limited to, paraprofessionals, clerks, custodians, maintenance, personnel, and van drivers; and administrators represented by the Act 93 meet and discuss group. Morrisville has separate contracts for certain exempt employees, which include some central office clerical staff and administrators such as the superintendent and business manager. In the table below, the contract lengths are shown for Morrisville’s three main bargaining units.

**Morrisville School District  
Current Major Employee Contracts**

| Bargaining Unit | Contract Term                                  |
|-----------------|--|
| MEA             | 2018-19 to 2022-23; 4 years                    |
| MESPA           | 2021-22 to 2024-25; 4 years                    |
| Act 93          | Extended in 2022-23; currently in negotiations |

Since Morrisville’s teachers’ contract expires at the end of the current budget year, the financial projections assumed a generalized growth rate for all salaries. Total salaries were assumed to grow by 3.0 percent annually. Staffing levels for employees are not adjusted for fluctuations in enrollment or other conditions in the baseline projections.

### Employee Benefits

Employee benefits include a variety of programs for employee welfare. The financial model includes the costs of amenities such as the employer share of pension contributions, Social Security contributions, health insurance, prescription drug insurance, dental insurance, vision insurance, life insurance, unemployment insurance, workers’ compensation, tuition reimbursement, and other benefits.

### Pennsbury

Pennsbury offers four health plans to staff through the Delaware Valley Health Trust, a consortium. The financial projections assume benefits will grow at 4.0 percent, which is based on Pennsbury’s assumed rate of growth in its long-term financial projections.

Pension contributions are based on the employer contribution rates published by the Pennsylvania School Employees’ Retirement System (PSERS) published on December 17, 2021.<sup>39</sup> This includes the certified contribution rate for the 2022-23 school year, and the projected rates for the seven school years from 2023-24 to 2029-30. Since the financial model extends to the 2032-33 school year, after 2029-30

<sup>39</sup> Near the completion of this report, the PSERS Board of Trustees published the certified rates for the 2023-24 school year, and projected rates for the 2024-25 to 2030-31 school years. Given the extensive revisions that would be required to the report with the new rates, the study team incorporate the new rates into the ten-year financial projections.



the contribution rate increases by 0.3 percentage points each year, which is based on the projected increase from the 2028-29 to the 2029-30 school year.

Social Security contributions, unemployment insurance, and workers' compensation are grown based on growth in total salaries.

Dental insurance, vision insurance, life insurance, tuition reimbursement, and other benefits costs are grown at the model's inflationary rate.

### **Morrisville**

Morrisville offers four health plans to staff through the Bucks and Montgomery County Schools Healthcare Consortium. The financial projections assume benefits will grow at 4.0 percent, which is based on the assumptions used in the Pennsbury financial model.

Morrisville's financial model uses the same assumptions for PSERS as those described above.

Social Security contributions, unemployment insurance, and workers' compensation are grown based on growth in total salaries.

Tuition reimbursement and other benefits costs are grown at the model's inflationary rate.

## **Charter School Tuition**

In Pennsylvania, school districts pay tuition rates to charter schools based on a formula that is established in the School Code. The formula is calculated for each individual school district, and it arrives at an average per student cost for general and special education students based largely on prior year financial data. Each school district uses the PDE-363 form developed by the Pennsylvania Department of Education to calculate these tuition rates. In the ten-year financial projection models this charter school tuition formula is used to project the per student rates for both Pennsbury and Morrisville.

### **Pennsbury**

Per student tuition rates for the 2022-23 school year are based on the PDE-363 form prepared by Pennsbury's administration. In the current school year Pennsbury pays charter tuition rates of \$14,137 for general education students and \$38,150 for special education students. In future school years, the financial model uses projected expenditures to estimate the different sub-categories used in the formula calculations.

The study team reviewed recent charter school enrollment data provided by Pennsbury, as well as information submitted to the Pennsylvania Department of Education in annual reporting. Based on the analysis outlined in the Enrollment chapter of this report, it appears that the number of students enrolled in charter schools is declining from its pandemic high of 375 students reported in the ADM for 2020-21. The ten-year financial projections assume that Pennsbury's charter school enrollment gradually returns to its pre-pandemic level, decreasing from the estimated 353 students in the 2022-23 budget to 300 students over a five-year period. The share of special education students enrolled in charter schools is assumed to be 24 percent based on enrollment data provided by Pennsbury.

### **Morrisville**

Per student tuition rates for the 2022-23 school year are based on the PDE-363 form prepared by Morrisville's administration. In the current school year, Morrisville pays charter tuition rates of \$12,834 for general education students and \$49,276 for special education students. In future school years, the



financial model uses projected expenditures to estimate the different sub-categories used in the formula calculations.

The study team reviewed recent charter school enrollment data provided by Morrisville, as well as information submitted to the Pennsylvania Department of Education in annual reporting. Based on the analysis outlined in the Enrollment chapter, it appears that the number of students enrolled in charter schools has continued to increase over the past several years. In the current 2022-23 school year, Morrisville’s enrollment increased to 91 students, which was above estimated levels in prior school years and the amounts used in the 2022-23 budget. Given this increase, the study team used the 91-student count as the starting point for the enrollment assumptions.

The ten-year financial projections assume that Morrisville’s charter school enrollment decreases slowly over time from the estimated 91 students in the current school year.<sup>40</sup> Beginning in 2024-25, which is the second year of the projections, charter school enrollment is projected to decrease by 4 students per year. In the final projected year, 55 students would be enrolled in charter schools, which is still above Morrisville’s pre-pandemic number of students enrolled in charter schools. The model assumes that Morrisville has one special education student enrolled in charter schools based on recent financial data for payments made to charter schools.

## Inflation

The basket of goods and services included in the measurement of the Consumer Price Index (CPI) contains many items that have direct and indirect impacts on school district budgets. In some cases, such as fuel or food, school districts may be more exposed to risks of high and sustained inflation. Underlying growth in particular industries or categories, such as construction materials and labor, can also have outsized impacts on school district finances.

As a starting point, the study team reviewed forward-looking reports from the Federal Reserve Bank of Philadelphia’s national Survey of Professional Forecasters. Each quarter, the Federal Reserve publishes a survey of economists for expected short- and long-term changes in CPI and other economic indicators. In the two most recent quarterly reports for August and November 2022, projected headline CPI rates for the next ten years increased from 2.80 percent to 2.95 percent. For now, the ten-year financial projections have used the 2.80 percent long-term inflationary rate as a target for the financial projections.<sup>41</sup> Since inflation is higher today and it will likely take some time to abate, the model assumes that inflation will stay at 3.5 percent for the next three years, which is based on the five-year rate from the Survey of Professional Forecasters. Over time, the inflationary rate is reduced to 2.3 percent, yielding a ten-year average of 2.8 percent. The annual inflation figures from the ten-year model are shown in the table below.

### 10-Year Financial Model Inflation Assumptions

| 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 | 2032-33 |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 3.5%    | 3.5%    | 3.5%    | 3.0%    | 3.0%    | 2.3%    | 2.3%    | 2.3%    | 2.3%    | 2.3%    |

## Special Education Services

Pennsylvania school districts provide services to special education students through a combination of teachers hired by the school district to run programs, contracted service providers, and tuition payments to organizations that provide services.

<sup>40</sup> The ADM used for payment would typically be somewhat less than this figure.

<sup>41</sup> The difference between 2.80 and 2.95 would have limited impact on the projections, but using the November amount would have required extensive revision of report narrative and calculations.



## Pennsbury

The table below shows Pennsbury's budgeted 2022-23 expenditures for special education services with the different classifications of objects used in the Pennsylvania Department of Education's chart of accounts for school districts. As shown in the table, 77.1 percent of Pennsbury's expenditures for special education services are for salaries and benefits of employees of the school district who run programs for students. Payments to the Bucks County Intermediate Unit and other providers account for 19.5 percent of budgeted expenditures. In the ten-year financial projections, the salaries and benefits are grown at the rates described in the sections above. All contracted services, tuition payments, supplies, and property are grown at the inflationary rate described above. The projections remove the budgeted reconciliation payment to BCIU for use of services above previously estimated amounts.

### Pennsbury School District 2022-23 Budgeted Special Education Services

| Object Code  | Object Description                            | Pennsbury           | % of Total    |
|--------------|---|---------------------|---------------|
| 100          | Salaries                                      | \$20,538,148        | 46.8%         |
| 200          | Employee Benefits                             | \$13,320,761        | 30.3%         |
| 322          | IU Services                                   | \$4,034,313         | 9.2%          |
| 300          | Purchased Professional and Technical Services | \$518,793           | 1.2%          |
| 400          | Purchased Property Services                   | \$7,600             | 0.0%          |
| 560          | Tuition to Other Providers <sup>42</sup>      | \$4,520,907         | 10.3%         |
| 500          | Other Purchased Services                      | \$26,850            | 0.1%          |
| 600          | Supplies                                      | \$508,251           | 1.2%          |
| 700          | Property                                      | \$450,247           | 1.0%          |
| 800          | Other Objects                                 | \$1,000             | 0.0%          |
| <b>Total</b> |   | <b>\$43,926,870</b> | <b>100.0%</b> |

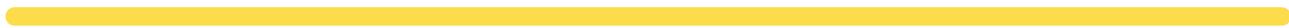
## Morrisville

The table below shows Morrisville's budgeted 2022-23 expenditures for special education services. As shown in the table, 49.0 percent of Pennsbury's expenditures for special education services are for salaries and benefits of employees of the school district who run programs for students. Payments to the BCIU and other providers account for 48.2 percent of budgeted expenditures, which reflects Morrisville's smaller size and reliance on other providers for more specialized services. In the ten-year financial projections, the salaries and benefits are grown at the rates described in the sections above. All contracted services, tuition payments, supplies, and property are grown at the inflationary rates described above.

### Morrisville School District 2022-23 Budgeted Special Education Services

| Object Code | Object Description | Morrisville | % of Total |
|-------------|--------------------|-------------|------------|
| 100         | Salaries           | \$1,939,634 | 30.6%      |
| 200         | Employee Benefits  | \$1,165,031 | 18.4%      |

<sup>42</sup> Tuition expenditures exclude payments made to charter schools for special education students.



| Object Code  | Object Description                            | Morrisville        | % of Total    |
|--------------|---|--------------------|---------------|
| 322          | IU Services                                   | \$2,363,251        | 37.3%         |
| 300          | Purchased Professional and Technical Services | \$172,000          | 2.7%          |
| 400          | Purchased Property Services                   | \$0                | 0.0%          |
| 560          | Tuition to Other Providers                    | \$695,870          | 11.0%         |
| 500          | Other Purchased Services                      | \$0                | 0.0%          |
| 600          | Supplies                                      | \$3,925            | 0.1%          |
| 700          | Property                                      | \$1,000            | 0.0%          |
| 800          | Other Objects                                 | \$0                | 0.0%          |
| <b>Total</b> |   | <b>\$6,340,711</b> | <b>100.0%</b> |

## Academic Programs

On an annual basis, school districts budget for the staff, professional development, curriculum, textbooks, and technology required to operate the programs provided to students. The financial projections use the adopted budgets provided by Pennsbury and Morrisville as the starting point for the model. No additional staff or changes in programs are assumed in the baseline ten-year financial projections. Where additional information has been provided, the study team has included the costs of curriculum or equipment replacement with more recent estimates that were provided by the administrators of the two school districts.

### Pennsbury

Pennsbury has adopted a four-year replacement cycle to refresh technology for students and staff, and the 2021-22 replacement budget showed costs over a six-year period. The ten-year financial projections adjust future spending based on the administration's cost estimates for the technology replacement cycle. The projections assume that current budgeted amounts for replacement and updates to curriculum, textbooks, and classroom materials are sufficient, and costs are increased annually by the inflationary rates. In the projected years, spending on classroom supplies and technology is increased on a per student basis to account for the return of students from charter schools as noted above.

In 2022-23, Pennsbury has budgeted its last year of federal pandemic relief grants through the Elementary and Secondary School Emergency Relief Fund (ESSER). Based on information provided by the administration, the ten-year projections assume that half of the budgeted spending is on programs that will continue after the grants expire, and half of the spending is on one-time expenditures that will be removed after the grants expire.

### Morrisville

As noted in the Academics chapter of this report, Morrisville is in the process of developing replacement cycles for its curriculum and technology. Based on interviews with the Morrisville administration, the adopted budgets do not have sufficient funds for annual replacement of these items, and Morrisville evaluates its ability to replace what technology and curriculum that it can through a combination of grant opportunities, donations, and excess funds in other areas of the budget.

The ten-year financial projections assume that after balancing the budget, a portion of Morrisville's \$1.0 million supplemental Ready to Learn block grant from the Commonwealth is used to provide the necessary level of recurring revenues for the replacement of technology, curriculum, textbooks, and classroom supplies. Costs are estimated at \$350 per student for curriculum and textbooks, and \$350 per



student for educational technology. The projections assume that Morrisville purchases enough materials for 300 students per year, and costs are increased at the inflationary rates. In 2022-23, Morrisville budgeted for the use of \$112,000 in federal ESSER grants. Since the 2021-22 audit was in process during this study, it is unclear how much ESSER funding remain for Morrisville. Based on the financial data provided for this study, it appears that Morrisville will draw down the entirety of its ESSER I and ESSER II allocations by the end of the 2021-22 school year, which would total a little more than \$1.0 million. In the ARP ESSER allocation, Morrisville received almost \$1.7 million, which could be drawn down from 2022-23 until September 2024. These funds may help Morrisville balance its budget or cover some of its capital expenditures over the next several years. Since the available ESSER funds are unknown at this time, they have not been included in the financial projections.

## Capital

School districts pay for the costs of repairs and capital improvements for buildings through a variety of funding sources. These can include operating expenditures directly from the General Fund, transfers to a Capital Projects fund, borrowing, or grants.

### Pennsbury

Pennsbury has a detailed long-term capital plan that it frequently updates to determine its project prioritization and funding sources for building improvements. The ten-year financial projections assume that Pennsbury borrows \$195 million for the first ten-year phase of its capital plan between 2023 and 2031. In addition to the borrowing for capital projects, the ten-year projections include annual \$250,000 transfers from the operating budget to the Capital Projects Fund based on Pennsbury's financial projection model.

In addition, the ten-year projections include the financial impacts of Pennsbury's share of the first and second phases of the capital project at the Bucks County Technical High School.

### Morrisville

As noted in the Facilities chapter of this report, Morrisville will need to replace the roofs at both Grandview Elementary School and the Middle / Senior High School in the near future. In the ten-year projections, the study team assumes that Morrisville borrows \$6 million for the costs of these two projects. The borrowing is assumed to take place in 2024, and the first principal and interest payments begin in the 2024-25 school year.

In addition, the ten-year projections include the financial impacts of Morrisville's share of the first and second phases of the capital project at the Bucks County Technical High School.

## Operational Savings

For a variety of reasons, a school district may spend less than its adopted budget when the audited expenditures are compared to the originally budgeted amounts. When school districts have a history of strong financial management, long-term projections can include a factor for operational savings to better align projected spending with expected results.

### Pennsbury

Given Pennsbury's recent financial results, the ten-year financial projections include a factor for operational savings. The projections assume that Pennsbury achieves 2.0 percent savings on budgeted expenditures for operations after excluding salaries, benefits, and debt service. This assumption is based on the administration's factor used in its long-term financial projections.



## Morrisville

Since Morrisville’s financial results have been negative in recent years, the ten-year financial projections take a more conservative approach to spending. The model does not include a factor for operational savings in Morrisville’s ten-year projections.

## Baseline Financial Projection Summary

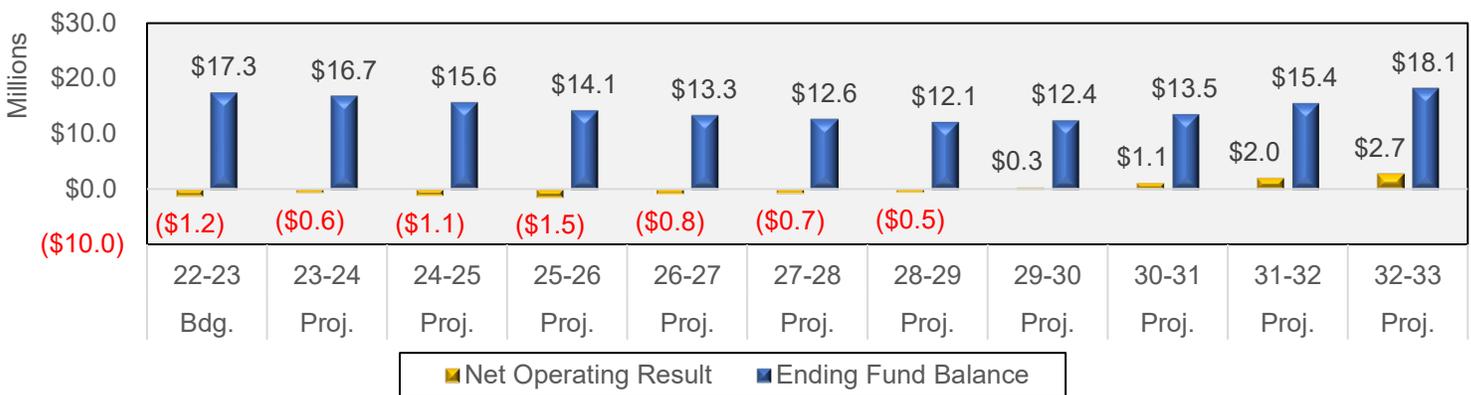
The section below summarizes the impact of the projections based on the assumptions described above. Further financial detail for the projections can be found in Appendix E.

## Pennsbury

As shown in the chart and table below, Pennsbury is expected to remain financially stable over the ten-year period. Pennsbury begins with a small annual deficit at less than one percent of total projected expenditures, which is in line with the administration’s internally developed financial projections. Actual results have been marginally positive in more recent years.

In the baseline scenario, expenditures grow at 2.8 percent per year on a compound annual basis, driven mostly by increases in salaries, benefits, and the additional debt for the planned capital projects. Total revenues grow by 3.0 percent per year, driven by the annual tax increases and State aid. Total fund balance is drawn down slightly each year until 2029-30, when the value of annual tax increases surpasses the projected growth in expenditures. Overall, the fund balance as a share of expenditures ranges from a low of 4.3 percent in 2028-29 and 2029-30 to a high of 7.4 percent in 2023-24. With the annual surpluses in the last few years, Pennsbury would grow its fund balance to 5.9 percent, which would comply with its minimum fund balance policy. As noted in the sections above, annual tax increases grow by a compound annual rate of 2.7 percent, and the inflationary assumption averages 2.8 percent over the forecast period. Based on these assumptions and the overall size of its budget, Pennsbury should be able to maintain a balanced budget over time with tax increases that are closely aligned with overall inflationary growth.

**Pennsbury School District  
Baseline General Fund Projections  
2022-23 to 2032-33 (\$Millions)**





|   | 22-23          | 23-24          | 24-25          | 25-26          | 26-27          | 27-28          | 28-29          | 29-30         | 30-31         | 31-32         | 32-33         |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|
|   | Bdg.           | Proj.          | Proj.          | Proj.          | Proj.          | Proj.          | Proj.          | Proj.         | Proj.         | Proj.         | Proj.         |
| Total Revenues                          | \$232.8        | \$237.9        | \$244.5        | \$252.5        | \$260.5        | \$268.8        | \$277.4        | \$286.2       | \$294.3       | \$302.8       | \$311.5       |
| Total Expenditures                      | \$234.1        | \$238.5        | \$245.6        | \$253.9        | \$261.3        | \$269.5        | \$277.9        | \$285.9       | \$293.2       | \$300.9       | \$308.8       |
| <b>Net Operating Result</b>             | <b>(\$1.2)</b> | <b>(\$0.6)</b> | <b>(\$1.1)</b> | <b>(\$1.5)</b> | <b>(\$0.8)</b> | <b>(\$0.7)</b> | <b>(\$0.5)</b> | <b>\$0.3</b>  | <b>\$1.1</b>  | <b>\$2.0</b>  | <b>\$2.7</b>  |
| <b>Ending Fund Balance<sup>43</sup></b> | <b>\$17.3</b>  | <b>\$16.7</b>  | <b>\$15.6</b>  | <b>\$14.1</b>  | <b>\$13.3</b>  | <b>\$12.6</b>  | <b>\$12.1</b>  | <b>\$12.4</b> | <b>\$13.5</b> | <b>\$15.4</b> | <b>\$18.1</b> |

### Morrisville

As shown in the chart and table below, using the baseline assumptions Morrisville could slowly reduce its annual deficit and its accumulated negative fund balance over the ten-year period. Although the projections show a steadily improving financial results over time, the path to financial stability is not guaranteed.

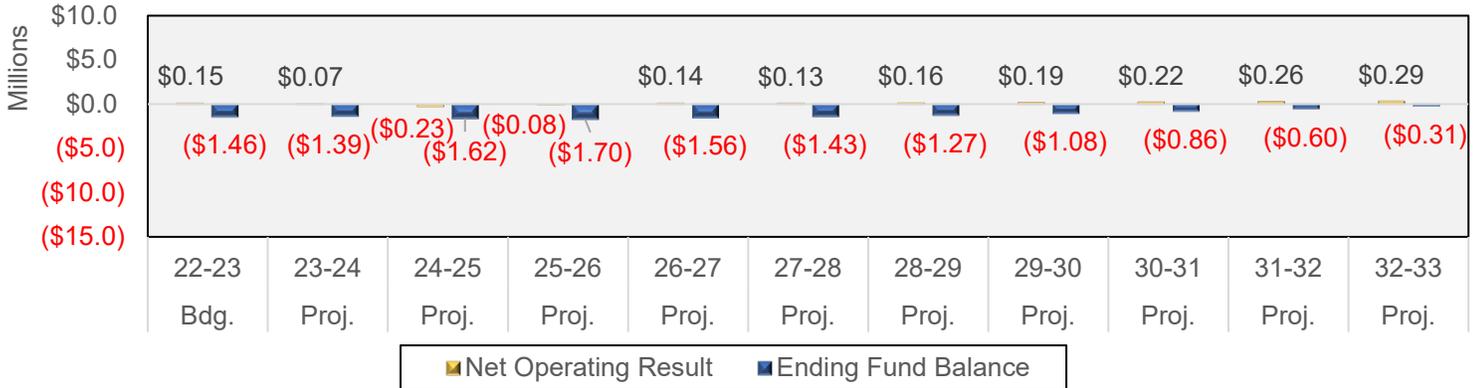
In the scenario, expenditures grow at 3.3 percent per year on a compound annual basis, driven mostly by increases in salaries, benefits, and the additional debt for the roof projects, and charter school enrollment higher than the amounts anticipated in the current budget. Total revenues grow by 3.4 percent per year, driven by the annual tax increases and the inclusion of the \$1.0 million supplemental Ready to Learn block grant beginning in 2023-24. Morrisville begins the projections with a narrowly positive result, and a deficit at 0.9 percent of total expenditures begins in 2024-25 due to the addition of the debt service for the roof projects. The initial budget gaps could be narrowed or closed if Morrisville can contain the growth in expenditures, defer the impact of the debt service, or use additional ESSER funds for continuity of operations. Additional marginal tax increases or receipt of a supplemental Ready to Learn block grant in 2022-23 could also have a positive effect.

As noted in the sections above, Morrisville's real estate taxes grow by a compound annual rate of 3.9 percent, with increases to the Act 1 Index for the first several years of the projections. Based on these assumptions, Morrisville is expected to require annual tax increases well above inflation in order to close its annual deficits and eliminate its accumulated negative fund balance over time. The supplemental \$1.0 million Ready to Learn block grant would be required in order to balance Morrisville's budget and provide additional resources to make investments in students and classrooms.

<sup>43</sup> Pennsbury's first year ending fund balance shows the 2020-21 audited total fund balance adjusted for the budgeted \$1.2 million negative operating result.



**Morrisville School District<sup>44</sup>**  
**Baseline General Fund Projections**  
**2022-23 to 2032-33 (\$Millions)**



|   | 22-23           | 23-24           | 24-25           | 25-26           | 26-27           | 27-28           | 28-29           | 29-30           | 30-31           | 31-32           | 32-33           |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | Bdg.            | Proj.           |
| Total Revenues                          | \$23.15         | \$24.70         | \$25.59         | \$26.53         | \$27.50         | \$28.23         | \$28.98         | \$29.75         | \$30.54         | \$31.36         | \$32.20         |
| Total Expenditures                      | \$23.00         | \$24.63         | \$25.82         | \$26.61         | \$27.35         | \$28.10         | \$28.82         | \$29.56         | \$30.32         | \$31.10         | \$31.91         |
| <b>Net Operating Result</b>             | <b>\$0.15</b>   | <b>\$0.07</b>   | <b>(\$0.23)</b> | <b>(\$0.08)</b> | <b>\$0.14</b>   | <b>\$0.13</b>   | <b>\$0.16</b>   | <b>\$0.19</b>   | <b>\$0.22</b>   | <b>\$0.26</b>   | <b>\$0.29</b>   |
| <b>Ending Fund Balance<sup>45</sup></b> | <b>(\$1.46)</b> | <b>(\$1.39)</b> | <b>(\$1.62)</b> | <b>(\$1.70)</b> | <b>(\$1.56)</b> | <b>(\$1.43)</b> | <b>(\$1.27)</b> | <b>(\$1.08)</b> | <b>(\$0.86)</b> | <b>(\$0.60)</b> | <b>(\$0.31)</b> |

<sup>44</sup> Annual results are shown to two decimal places given the size of Morrisville's budget compared to Pennsbury's budget.

<sup>45</sup> Morrisville's starting fund balance shows the 2020-21 audited fund balance with no adjustments.



# Scenario Financial Projections

Other chapters of this study summarize the programmatic and operational analyses that support the findings for each of the options for consideration by the Pennsbury and Morrisville school boards. In this chapter the study covers the financial impact of the merger and tuition scenarios using the ten-year financial projection model. Additional detail for the financial projections and the assumptions can be found in Appendix D and F of this study as well as in previous chapters.

## Scenario 1: Merger

Under this scenario, Pennsbury and Morrisville will combine effective in the 2024-25 school year. Grandview Elementary School remains open for grades K-2 and Morrisville’s grade 3-5 students are bused on local routes to Pennsbury’s elementary schools. Morrisville Middle / Senior High School is closed, and Morrisville’s middle school and high school students are bused on local routes to Pennsbury’s middle school and high school campuses, respectively.

Since Grandview continues to operate, the roof of the building is assumed to be repaired and other renovations take place at the building to provide hot food service and new classroom space if needed. Morrisville’s current debt service payments and those for the Grandview renovations are assumed by Pennsbury. Morrisville’s millage rate is adjusted to Pennsbury’s projected baseline tax rates, and the tax rates are not adjusted further other than annual increases at levels already assumed in Pennsbury’s baseline. Morrisville’s superintendent and business manager are retained to support the transition of students for the first year of the projections, and then Pennsbury only retains one principal at Grandview Elementary School. None of Morrisville’s other administrative positions are retained. Teachers are added at Pennsbury’s elementary, middle, and high school levels to maintain class sizes and provide additional supports for Morrisville’s students.

### Real Estate Taxes

Morrisville’s tax base is transferred to Pennsbury at the start of the 2024-25 school year. After the transfer, Morrisville’s residents pay the same the annual millage rates projected in the Pennsbury baseline scenario, which leaves the compound annual growth at 2.7 percent over the ten-year period, with annual rates shown below.

**Pennsbury School District  
Scenario 1: Merger  
Real Estate Tax Millage Rates**

|                   | 22-23   | 23-24   | 24-25   | 25-26   | 26-27   | 27-28   | 28-29   | 29-30   | 30-31   | 31-32   | 32-33   |
|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                   | Budget  | Proj.   |
| Tax Rate          | 178.947 | 183.958 | 189.108 | 194.403 | 199.847 | 205.442 | 211.195 | 217.108 | 222.319 | 227.654 | 233.118 |
| Annual % Increase | 2.8%    | 2.8%    | 2.8%    | 2.8%    | 2.8%    | 2.8%    | 2.8%    | 2.8%    | 2.4%    | 2.4%    | 2.4%    |

Under the assumption that the merger would affect the underlying trends of assessed value in Morrisville, the scenario assumes that the annual decline in tax base shown in the Morrisville baseline scenario is reversed over time. Beginning in the first year of the merger, Morrisville’s tax base is held flat, which assumes that the annual real estate valuation challenges cease to impact annual revenues. Over time,



the inclusion of Morrisville in the Pennsbury School District will lead to additional modest revenue growth as Morrisville homes increase in value. Starting in 2029-30, the merger scenario assumes that the tax base begins to grow by 0.2 percent annually, which is based on the ten-year compound annual growth rate for assessed value in Tullytown over the historical period reviewed as part of the study.

## Basic Education Funding

Basic Education Funding from the Commonwealth of Pennsylvania is distributed to school districts with two major components. The base allocation received by school districts typically does not change from year to year, and this amount of over \$3.0 million for Morrisville is transferred to Pennsbury in full. This amount is assumed to become a permanent part of Pennsbury's base BEF allocation. Neither school district received the Level Up Supplement from the Commonwealth in the 2021-22 or 2022-23 school years, and these revenues are not considered in the study.

Under the merger scenario, the study assumes that the student-based portion of BEF would be recalculated based on Pennsylvania's funding formula with the students from the two districts combined. The Commonwealth uses multiple demographic characteristics and other factors to determine a school district's annual student-weighted allocation, including median household income, the average daily membership (enrollment statistic) adjusted for local demographics, a district's local tax effort capacity index, and other factors.

Demographic information in the Department's 2022-23 estimated BEF allocation file was used to estimate Pennsbury's student-based allocation.<sup>46</sup> This analysis assumes that some factors in the BEF allocation would be additive under the potential merger; for example, the number of households and average daily membership would be the sum of Pennsbury and Morrisville. For other factors, the analysis used a weighted average to estimate the impact of the relative size of the two school districts. In the table below and the subsequent analysis show the assumptions for each of the major factors used in the BEF formula recalculation.

**Basic Education Funding Formula  
Merger Assumptions**

| Factor                            | Assumption   |
|-----------------------------------|--|
| Median household income           | Weighted average based on number of households                         |
| Number of households              | Sum of Pennsbury and Morrisville                                       |
| Sparsity / size adjustment        | Not included because Pennsbury and Morrisville do not have this factor |
| Percentage of students in poverty | Weighted average based on enrollment                                   |
| Charter school enrollment         | Sum of Pennsbury and Morrisville                                       |
| English language learners         | Sum of Pennsbury and Morrisville                                       |
| Total PPS and WSD enrollment      | Sum of Pennsbury and Morrisville                                       |
| Local effort capacity index       | Held flat at Pennsbury's index based on sensitivity analysis           |

Local effort is another factor used in the student-weighted distribution calculation; this is the estimation of local tax contributions for school district operations relative to local wealth and the Statewide median.

<sup>46</sup> Basic Education Funding uses average daily membership and federal Census data from 2020-21 to determine current year funding levels.



Some factors, such as actual revenues and expenditures, will not be finalized until after the merger takes place, and our analysis assumes the impact from those changes would be de minimis. Based on the relative size of Pennsbury compared to Morrisville, it appears that the local effort index will remain largely unchanged after the merger.

Based on the assumptions above, Pennsbury would receive a total of nearly \$3.4 million in BEF after the merger: an increase of \$3.0 million in its base allocation and an additional \$345,000 in its student-weighted distribution. The estimated student-weighted distribution will continue to change in future school years based on funding levels from the Commonwealth and changes in the underlying factors used in the funding formula.

**Basic Education Funding  
Merger Assumptions (\$ Millions)**

|                             | 2024-25        | 2025-26        | 2026-27        | 2027-28        | 2028-29        | 2029-30        | 2030-31        | 2031-32        | 2032-33        |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Baseline Pennsbury          | \$19.22        | \$19.66        | \$20.09        | \$20.52        | \$20.96        | \$21.39        | \$21.82        | \$22.26        | \$22.69        |
| Additional from Morrisville | \$3.48         | \$3.53         | \$3.58         | \$3.63         | \$3.67         | \$3.72         | \$3.77         | \$3.82         | \$3.86         |
| <b>Total Revenue</b>        | <b>\$22.71</b> | <b>\$23.19</b> | <b>\$23.67</b> | <b>\$24.15</b> | <b>\$24.63</b> | <b>\$25.11</b> | <b>\$25.59</b> | <b>\$26.07</b> | <b>\$26.55</b> |

### Special Education Funding

Similar to Basic Education Funding, Special Education Funding also consists of a base allocation and student-weighted distribution. For Special Education Funding, the student-weighted allocation is determined by the special education enrollment at each district, the categorization of students, the district’s market value-personal income aid ratio (MV/PI ratio), and an equalized millage rate, which is another measure of local tax effort calculated by the Department of Education. The table below and the subsequent analysis show the assumptions for each of the major factors in the SEF formula.

**Special Education Funding Formula  
Merger Assumptions**

| Factor                                   | Assumption  |
|--|---|
| Special education enrollment by category | Sum of Pennsbury and Morrisville  |
| MV/PI Aid Ratio                          | Recalculation based on merger of Pennsbury and Morrisville data including market value, personal income, and enrollment |
| Total PPS and WSD enrollment             | Sum of Pennsbury and Morrisville  |
| Equalized mills                          | Held flat at Pennsbury’s number based on sensitivity analysis   |

In 2022-23, Pennsbury and Morrisville had a combined three-year average special education enrollment of 2,929 students, and a weighted student count of 5,665, based on individual student categorizations.<sup>47</sup> Due to the relative size of Pennsbury, we assume that the equalized millage rate would remain unchanged after the merger.

<sup>47</sup> Categorizations are based on reported individual spending for students with special needs from districts’ annual Act 16 reports to the Commonwealth.



After a potential merger, the MV/PI ratio would be recalculated for the combined school districts. This ratio compares the relative wealth from property and personal income to Statewide levels, and it is used in the calculation of subsidies for SEF and other state programs. In the analysis the study focuses on the information used in the 2022-23 allocation, which draws on data from two years prior to the current funding year in the June 2022 allocation file. Based on the 2020 market value and personal income of both Pennsbury and Morrisville, the combined MV/PI ratio is estimated to be 0.2913, which is slightly higher than Pennsbury's current MV/PI ratio of 0.2757 and less than Morrisville's current MV/PI ratio of 0.4566.

### Market Value / Personal Income Calculations Merger Scenario

|                             | Pennsbury       | Morrisville   | Merged Pennsbury |
|-----------------------------|-----------------|---------------|------------------|
| 2020 Market Value           | \$8,451,734,672 | \$520,935,834 | \$8,972,670,506  |
| 2020 Personal Income        | \$3,495,552,004 | \$297,455,913 | \$3,793,007,917  |
| 2020-21 ADM                 | 10,284          | 976           | 11,260           |
| 2020-21 WADM                | 12,092          | 1,144         | 13,236           |
| Market Value / WADM (SD)    | \$698,960       | \$455,412     | \$677,912        |
| Personal Income / WADM (SD) | \$289,083       | \$260,041     | \$286,573        |
| Market Value / WADM (PA)    | \$480,700       | \$480,700     | \$480,700        |
| Personal Income / WADM (PA) | \$200,700       | \$200,700     | \$200,700        |
| 2022-23 MV/PI Ratio         | 0.2757          | 0.4566        | 0.2913           |
| 2022-23 MV Aid Ratio        | 0.2730          | 0.5264        | 0.2949           |
| 2022-23 PI Aid Ratio        | 0.2799          | 0.3522        | 0.2861           |

Assuming that the special education population would remain the same after the merger, Pennsbury would receive \$762,000 more in SEF, made up of an increase of \$660,000 in its base allocation and an additional \$102,000 in the student-based allocation.

### Special Education Funding Merger Assumptions (\$ Millions)

|                             | 2024-25       | 2025-26       | 2026-27       | 2027-28       | 2028-29       | 2029-30       | 2030-31       | 2031-32       | 2032-33       |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Baseline Pennsbury          | \$6.56        | \$6.72        | \$6.87        | \$7.02        | \$7.17        | \$7.33        | \$7.48        | \$7.63        | \$7.78        |
| Additional from Morrisville | \$0.76        | \$0.77        | \$0.78        | \$0.79        | \$0.80        | \$0.81        | \$0.82        | \$0.83        | \$0.84        |
| <b>Total Revenue</b>        | <b>\$7.33</b> | <b>\$7.49</b> | <b>\$7.65</b> | <b>\$7.81</b> | <b>\$7.97</b> | <b>\$8.14</b> | <b>\$8.30</b> | <b>\$8.46</b> | <b>\$8.62</b> |

### State Retirement Reimbursement

Since both Pennsbury and Morrisville are below an MV/PI ratio of 0.5, the ten-year projections assume that the combined school district continues to be reimbursed at the Commonwealth's minimum 50 percent rate for Social Security and PSERS payments. Because the merger scenario assumes additional teaching and support positions, these state reimbursements will increase for Pennsbury compared to its baseline. Marginal State retirement reimbursement revenues are shown in the table below.



### State Retirement Reimbursement Merger Assumptions (\$ Millions)

|                             | 2024-25        | 2025-26        | 2026-27        | 2027-28        | 2028-29        | 2029-30        | 2030-31        | 2031-32        | 2032-33        |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Baseline Pennsbury          | \$24.86        | \$25.80        | \$26.68        | \$27.48        | \$28.35        | \$29.25        | \$30.18        | \$31.14        | \$32.13        |
| Additional from Morrisville | \$1.53         | \$1.56         | \$1.64         | \$1.71         | \$1.80         | \$1.67         | \$1.73         | \$1.79         | \$1.84         |
| <b>Total Revenue</b>        | <b>\$26.39</b> | <b>\$27.36</b> | <b>\$28.32</b> | <b>\$29.20</b> | <b>\$30.15</b> | <b>\$30.92</b> | <b>\$31.91</b> | <b>\$32.93</b> | <b>\$33.97</b> |

## Transportation Subsidy

As outlined below, the merger scenario assumes that Pennsbury will add bus routes to accommodate the transportation of Morrisville’s K-12 students. In the projections, 18 bus drivers and 4 van drivers are added for the initial routes, two additional bus drivers are added in 2026-27 for increased enrollment, and one additional bus driver is added in 2029-30 for additional enrollment.

Based on the lag structure of the transportation subsidy payments, revenues to Pennsbury are increased in the year after the costs are added. Using Pennsbury’s 2022-23 budgeted revenues and expenditures as a guide, the subsidy revenue is estimated at 15 percent of the additional costs. Similar to the baseline, revenues are held flat after the annual increases, with the exception of the revenues added for each additional bus route. The projections include an additional \$37,500 in transportation subsidy revenues that Pennsbury may receive with the change in its Market Value ratio, which is a factor used in the transportation subsidy calculation. Marginal transportation subsidy revenues are shown in the table below.

### Transportation Subsidy Merger Assumptions (\$ Millions)

|                             | 2024-25       | 2025-26       | 2026-27       | 2027-28       | 2028-29       | 2029-30       | 2030-31       | 2031-32       | 2032-33       |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Baseline Pennsbury          | \$1.65        | \$1.65        | \$1.65        | \$1.65        | \$1.65        | \$1.65        | \$1.65        | \$1.65        | \$1.65        |
| Additional from Morrisville | \$0.00        | \$0.20        | \$0.20        | \$0.20        | \$0.20        | \$0.20        | \$0.21        | \$0.21        | \$0.21        |
| <b>Total Revenue</b>        | <b>\$1.65</b> | <b>\$1.85</b> | <b>\$1.85</b> | <b>\$1.85</b> | <b>\$1.85</b> | <b>\$1.85</b> | <b>\$1.87</b> | <b>\$1.87</b> | <b>\$1.87</b> |

## Extraordinary State Aid

The merger scenario assumes that the Commonwealth of Pennsylvania would not provide Pennsbury with an additional recurring \$1.0 million each year, the equivalent of the Morrisville baseline assumption that the State would continue its recent Ready-to-Learn block grant support of Morrisville.

## All Other Revenue

All other revenues are transferred to Pennsbury in the merger scenario, and the same assumptions as the baseline scenario are used for most of the revenues. Pennsbury begins to collect Morrisville’s real estate transfer taxes beginning in 2024-25, and the projections assume that they experience the same annual growth as Pennsbury’s baseline assumption at 0.6 percent per year beginning in 2025-26.



## Professional Staff

Based on the staffing analysis outlined in the Academics chapter and summarized in Appendix D, the merger scenario assumes that Pennsbury would add 60 professional staff to support Morrisville's students in the first year. Staffing levels grow for the first four years of the merger commensurate with increases in enrollment in grades K to 2 given the gradual return of students from non-public and charter schools. Support specialists and remediation teachers are maintained at the initial levels for the first five years of the merger, and then staffing levels for these positions are reduced by 50 percent beginning in 2029-30. All other professional staffing levels are held flat after the initial additions in the 2024-25 school year.

### Pennsbury School District Professional Staffing Levels Scenario 1: Merger

|  | 2024-25   | 2025-26   | 2026-27   | 2027-28   | 2028-29   | 2029-30   | 2030-31   | 2031-32   | 2032-33   |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Elementary Level (Grades K to 2)</b>                          |           |           |           |           |           |           |           |           |           |
| Classroom teachers, support professionals, and special education | 20        | 20        | 21        | 22        | 23        | 23        | 23        | 23        | 23        |
| <b>Elementary Level (Grades 3 to 5)</b>                          |           |           |           |           |           |           |           |           |           |
| Classroom teachers   | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| Classroom support specialists                                    | 6         | 6         | 6         | 6         | 6         | 3         | 3         | 3         | 3         |
| Special Education  | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| <b>Elementary Subtotal</b>                                       | <b>9</b>  | <b>9</b>  | <b>9</b>  | <b>9</b>  | <b>9</b>  | <b>6</b>  | <b>6</b>  | <b>6</b>  | <b>6</b>  |
| <b>Secondary Level (6-12)</b>                                    |           |           |           |           |           |           |           |           |           |
| High School - Math, Science, Social Studies                      | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         |
| Remediation Teachers - Math, ELA, and Science                    | 12        | 12        | 12        | 12        | 12        | 6         | 6         | 6         | 6         |
| Guidance counselors  | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| Middle School - Math   | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| ESL teachers   | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| Special Education  | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         |
| <b>Secondary Subtotal</b>  | <b>31</b> | <b>31</b> | <b>31</b> | <b>31</b> | <b>31</b> | <b>25</b> | <b>25</b> | <b>25</b> | <b>25</b> |
| <b>Total Professional Staff</b>                                  | <b>60</b> | <b>60</b> | <b>61</b> | <b>62</b> | <b>63</b> | <b>54</b> | <b>54</b> | <b>54</b> | <b>54</b> |

In the merger scenario, Pennsbury is assumed to consider current members of Morrisville's teaching staff when hiring for the new positions. Costs are estimated using Morrisville's current staff and their estimated placement on Morrisville's salary schedule as of the 2024-25 school year. Morrisville's staff are then translated to Pennsbury's salary schedule, and the average salary is used to estimate the salary costs for the number of positions in the table above.



## Transportation

In the table below, the staffing counts for bus drivers are shown for the merger scenario. As outlined in the Transportation chapter, the study assumes that Pennsbury would add additional drivers as enrollment from Morrisville increases after the merger. The table below shows the annual driver counts in each of the school years. Based on information provided by the Pennsbury administration, the study assumes that 10 percent of the drivers work an eight-hour day, and the remainder work a 6-hour day based on the current driver workloads. The Transportation chapter outlines the operational costs of buses, which include equipment costs, fuel, insurance, and maintenance. In addition to these costs, the ten-year projections assume that the transportation payments to the Intermediate Unit are transferred with no adjustments.

If Pennsbury is able to return special education programs from the IU or other providers, this may result in savings for special education programs and transportation costs. These have not been included in the merger scenario, and the savings would be in addition to the projections shown.

### Pennsbury School District Drivers Scenario 1: Merger

|                      | 2024-25   | 2025-26   | 2026-27   | 2027-28   | 2028-29   | 2029-30   | 2030-31   | 2031-32   | 2032-33   |
|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Bus Drivers          | 14        | 14        | 14        | 14        | 14        | 15        | 15        | 15        | 15        |
| Van Drivers          | 4         | 4         | 4         | 4         | 4         | 4         | 4         | 4         | 4         |
| <b>Total Drivers</b> | <b>18</b> | <b>18</b> | <b>18</b> | <b>18</b> | <b>18</b> | <b>19</b> | <b>19</b> | <b>19</b> | <b>19</b> |

## All Other Staff

The study assumes that Pennsbury retains all 25 of Morrisville’s budgeted paraprofessional staff to support special education students.

The merger scenario assumes that Grandview Elementary School remains in operation, and that it is staffed similar to a Pennsbury elementary school. In addition to the professional staff identified above, the scenario assumes that Pennsbury retains a principal, two clerks, a registered nurse, two custodians, and a maintenance mechanic at Grandview.

The merger scenario assumes that Morrisville’s Middle / Senior High School building is closed, and that it is sold at the end of the 2026-27 school year. However, no proceeds from the sale are assumed in the scenario. For the years from 2024-25 to 2026-27, the ten-year projections assume that Pennsbury retains one custodian to maintain the building, and then the position is eliminated in 2027-28.

Morrisville’s superintendent and business manager are retained for the 2024-25 school year to support the integration of Morrisville’s students into Pennsbury’s buildings and to support the transition of data and systems.

No other staff from Morrisville are transferred in the merger scenario.



## Benefits

The study assumes that 70 percent of the additional staff members hired by Pennsbury receive healthcare benefits, based on the current ratio of covered staff in Morrisville. The 30 percent of staff who do not elect for healthcare coverage receive insurance opt out payments as outlined in Pennsbury's contracts.

The additional staff members' salaries are used to calculate salary-related benefits using the rates in the baseline projections. These include Social Security, PSERS, ongoing unemployment insurance, and workers' compensation.

Per staff rates are used to add costs for life insurance, vision insurance, and tuition reimbursement.

## Charter School Tuition

The Enrollment chapter shows the study's assumptions for the number of students enrolled in charter schools in the merger scenario, and the number that would return to Pennsbury's schools. The ten-year projections assume that Morrisville's population of charter school students shifts to align with Pennsbury's share of enrollment in charter schools over a period of five years.

All additional costs are factored into the charter school tuition calculation formula, and Morrisville's average daily membership is included in the Pennsbury ADM for calculation of the per student tuition rates. Morrisville's average daily membership is adjusted for the return of students from non-public schools, who are not counted in the figure unless they enroll in a public school.

## Special Education Services

Morrisville's costs for special education services provided by the Intermediate Unit and other providers are transferred to Pennsbury without any adjustments. In a merger scenario, Pennsbury may be able to provide similar services with its existing staff or marginal additional staff, which could result in cost savings compared to those shown in the ten-year financial projections. As noted in the Transportation section above, Pennsbury may be able to reduce the marginal costs of the merger by exploring opportunities to provide special education services in its buildings.

## Classroom Spending

To accommodate the additional students from Morrisville, Pennsbury's per student amounts are used to calculate additional needed spending on instructional supplies, curriculum, and equipment as part of Pennsbury's technology replacement plan. Tuition paid to Bucks County Technical High School is transferred to Pennsbury with no adjustment. Per student amounts are used to increase spending on student activities and sports using the increased enrollment in middle and high schools. Student activities spending is set at 75 percent of additional per student costs on the assumption that the majority of budgeted spending is for stipend payments for staff, and Pennsbury would mostly incur additional supplies or equipment spending.



## Central Office Contracts

In the merger scenario, \$300,000 is added to cover any additional costs of contractual services or other support required by Pennsbury's central office during the merger. These are included each year and adjusted for inflation. Some items that are intended to be included in this category are:

- Costs of the annual audit and federal grant reporting
- Costs of records storage
- Costs of renegotiating the labor contracts
- Marginal costs of subscription software; some of these may be charged on a per staff or per student basis

## Facilities

Morrisville's utilities and supplies costs are maintained for three years until the Middle / Senior High School building is sold. Utilities and supplies costs are reduced by 90 percent in 2027-28 to reflect savings from closing Morrisville's largest building. Beginning immediately with the start of the merger in 2024-25, half of Morrisville's contracted services are maintained to show the estimated costs of maintaining the Middle/ Senior High School, and then the costs are removed in 2027-28. It is assumed that the maintenance mechanic retained by Pennsbury would cover the maintenance costs at Grandview.

## Debt Service

Morrisville's current annual debt service payments of approximately \$805,000 are assumed by Pennsbury in the merger scenario.<sup>48</sup> Since Grandview remains open in the merger scenario, the study assumes that \$1.5 million in renovations take place at the building to repair the roof and upgrade or expand classrooms and other parts of the facility. It is assumed that all debt service payments for the Grandview renovations are assumed by Pennsbury.

Given the timeline for a decision on merger, it is assumed that Morrisville would not borrow to renovate the Middle / Senior High School, and these additional costs would not be incurred by Pennsbury.

## 10-Year Financial Projections

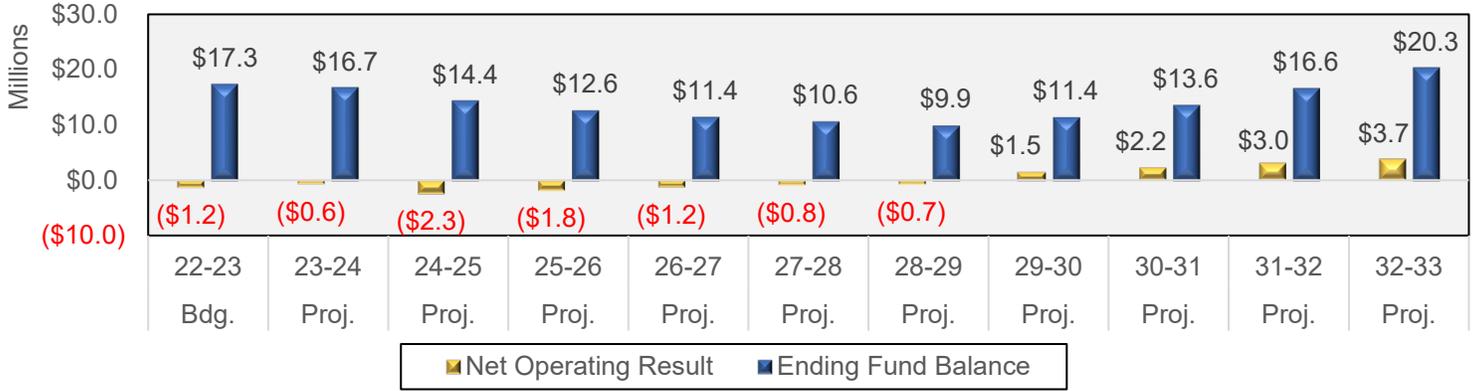
In the table and chart below, the ten-year financial projections are summarized using the assumptions described above and in Appendix D. Similar to the baseline projections, the merger scenario shows that Pennsbury is able to remain financially stable after Morrisville is added to the school district.

---

<sup>48</sup> Current annual debt service payments would be approximately \$805,000 per year through 2036-37, and then end with a payment of \$452,000 in 2037-38. At the beginning of 2024-25, Morrisville would have approximately \$8.85 million in remaining debt principal outstanding.



**Pennsbury School District  
Scenario 1: Merger  
General Fund Projections  
2022-23 to 2032-33 (\$Millions)**



|                             | 22-23          | 23-24          | 24-25          | 25-26          | 26-27          | 27-28          | 28-29          | 29-30         | 30-31         | 31-32         | 32-33         |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|
|                             | Bdg.           | Proj.          | Proj.          | Proj.          | Proj.          | Proj.          | Proj.          | Proj.         | Proj.         | Proj.         | Proj.         |
| Total Revenues              | \$232.8        | \$237.9        | \$263.9        | \$272.5        | \$281.0        | \$289.8        | \$298.9        | \$308.1       | \$316.7       | \$325.7       | \$335.0       |
| Total Expenditures          | \$234.1        | \$238.5        | \$266.2        | \$274.2        | \$282.2        | \$290.6        | \$299.6        | \$306.7       | \$314.5       | \$322.7       | \$331.2       |
| <b>Net Operating Result</b> | <b>(\$1.2)</b> | <b>(\$0.6)</b> | <b>(\$2.3)</b> | <b>(\$1.8)</b> | <b>(\$1.2)</b> | <b>(\$0.8)</b> | <b>(\$0.7)</b> | <b>\$1.5</b>  | <b>\$2.2</b>  | <b>\$3.0</b>  | <b>\$3.7</b>  |
| <b>Ending Fund Balance</b>  | <b>\$17.3</b>  | <b>\$16.7</b>  | <b>\$14.4</b>  | <b>\$12.6</b>  | <b>\$11.4</b>  | <b>\$10.6</b>  | <b>\$9.9</b>   | <b>\$11.4</b> | <b>\$13.6</b> | <b>\$16.6</b> | <b>\$20.3</b> |

In the projections, \$19.4 million in revenues are added in the first year of the merger in 2024-25 with the majority of the additional revenue coming from Morrisville’s real estate tax base and Basic Education Funding related to former Morrisville students. Total marginal revenues grow by a compound annual rate of 2.4 percent per year over the eight-year period following the merger, which is largely driven by the increases in Pennsbury’s baseline tax rates and State funding. At the end of the ten-year projection in 2032-33, Morrisville would add \$23.4 million in annual revenues to Pennsbury’s budget.

When the merger takes place in 2024-25, \$20.6 million in additional costs are added with over \$400,000 in one-time unemployment costs in the first year. After factoring out the one-time unemployment costs for the first year and other changes, Pennsbury’s overall expenditures related to assuming Morrisville grow more slowly than revenues over the eight-year period, ending at \$22.4 million in 2032-33.

However, this total change masks some of the underlying changes that occur in the intervening years driven by the professional staffing assumptions above. Total spending per staff member grows based on the annual salary increases and the growth in benefits costs. Beginning in 2029-30, the new merger-related classroom support and remediation teaching positions are halved, which results in a reduction in expenditures for 9 positions. These trends are summarized in the table below showing the marginal total revenues and expenditures transferred from Morrisville to Pennsbury in this scenario.



### Morrisville's Marginal Impacts Scenario 1: Merger

|   | 24-25          | 25-26          | 26-27          | 27-28          | 28-29          | 29-30        | 30-31        | 31-32        | 32-33        |
|---|----------------|----------------|----------------|----------------|----------------|--------------|--------------|--------------|--------------|
|   | Proj.          | Proj.          | Proj.          | Proj.          | Proj.          | Proj.        | Proj.        | Proj.        | Proj.        |
| Morrisville Marginal Revenues                   | \$19.4         | \$20.0         | \$20.5         | \$21.0         | \$21.5         | \$21.9       | \$22.4       | \$22.9       | \$23.4       |
| Morrisville Marginal Expenditures <sup>49</sup> | \$20.6         | \$20.3         | \$20.9         | \$21.1         | \$21.7         | \$20.7       | \$21.3       | \$21.8       | \$22.4       |
| <b>Net Impact</b>                               | <b>(\$1.2)</b> | <b>(\$0.3)</b> | <b>(\$0.3)</b> | <b>(\$0.1)</b> | <b>(\$0.2)</b> | <b>\$1.2</b> | <b>\$1.1</b> | <b>\$1.0</b> | <b>\$1.0</b> |

A key aspect of this scenario is the marginal impact per student. Based on the assumptions outlined in the study, Pennsbury will be able to educate Morrisville's students at a lower cost per student than Morrisville spends as an independent district in the baseline financial projections. Given available information, the study uses a high-level approach to compare the per student amounts for the baseline and the scenario. Here the table uses the enrollment levels shown in the Enrollment chapter for the students that are accounted for in the Morrisville budget. In reality, the ADM count would likely include more categories of students, especially those educated in special education placements outside of Morrisville operated classrooms. Since these categories are excluded from both enrollment counts, the impacts should be de minimis for comparison purposes.

These results of the per student comparison are shown on a per student basis in the table below. In particular, this difference is due to the classroom analysis and the finding that Pennsbury may be able to accommodate Morrisville's students without a significant increase in the number of sections of courses offered. The marginal increase in spending in Pennsbury from accommodating the Morrisville students under the merger scenario is lower than the average spending on those same students by Morrisville as an independent school district.

### Morrisville's Per Student Expenditures Scenario 1: Merger vs. Baseline Projections

|                             | 24-25            | 25-26            | 26-27            | 27-28            | 28-29             | 29-30             | 30-31             | 31-32             | 32-33             |
|-----------------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                             | Proj.            | Proj.            | Proj.            | Proj.            | Proj.             | Proj.             | Proj.             | Proj.             | Proj.             |
| Morrisville Merger Scenario | \$22,251         | \$21,429         | \$21,515         | \$21,305         | \$21,534          | \$20,567          | \$21,121          | \$21,670          | \$22,233          |
| Morrisville Baseline        | \$28,566         | \$29,431         | \$30,258         | \$31,084         | \$31,880          | \$32,700          | \$33,541          | \$34,407          | \$35,296          |
| <b>Difference</b>           | <b>(\$6,314)</b> | <b>(\$8,002)</b> | <b>(\$8,743)</b> | <b>(\$9,779)</b> | <b>(\$10,346)</b> | <b>(\$12,133)</b> | <b>(\$12,420)</b> | <b>(\$12,737)</b> | <b>(\$13,063)</b> |

## Scenario 2: Tuition Grades 3 to 12 to Pennsbury

Under this scenario, Pennsbury and Morrisville would remain independent school districts, and the two would sign a tuition agreement that would become effective in the 2024-25 school year. Morrisville would send its students in grades 3 to 12 to be educated in Pennsbury's schools.

Morrisville's Grandview Elementary School would remain a neighborhood K-2 school building, and Morrisville would make renovations to the building which would include the roof and may also include adding full food service or expanding classroom or administrative office space. Morrisville would align its

<sup>49</sup> Expenditures are shown including the one-time impacts of the unemployment costs for the employee reductions.



K-2 curriculum and staffing with Pennsbury's to assure a smooth transition when Morrisville's elementary students in grades 3-5 would be transported to Pennsbury's elementary schools.

In this scenario, Morrisville Middle / Senior High School is closed and Morrisville's middle school and high school students are bused on local routes to Pennsbury's middle school and high school campuses, respectively. The roof would not be repaired at the Middle / Senior High School, and the building will be closed and sold.

Morrisville's millage rate grows more slowly compared to the baseline projections in this scenario, and Morrisville makes tuition payments to Pennsbury for the costs of educating its students. Teachers are added at Pennsbury's elementary, middle, and high school levels to maintain class sizes and provide additional supports for Morrisville's students. Pennsbury's tax rates are not changed from the amounts in the baseline scenario which aligns with its current ten-year financial plan.

## Real Estate Taxes

### Pennsbury

Pennsbury's real estate tax rates continue to grow at the levels described in the baseline scenario, which is shown in the table below. The tax rates grow at a 2.7 percent compound rate over the ten-year period.

**Pennsbury School District  
Scenario 2: Tuition Grades 3 to 12  
Real Estate Tax Millage Rates**

|                   | 22-23   | 23-24   | 24-25   | 25-26   | 26-27   | 27-28   | 28-29   | 29-30   | 30-31   | 31-32   | 32-33   |
|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                   | Budget  | Proj.   |
| Tax Rate          | 178.947 | 183.958 | 189.108 | 194.403 | 199.847 | 205.442 | 211.195 | 217.108 | 222.319 | 227.654 | 233.118 |
| Annual % Increase | 2.8%    | 2.8%    | 2.8%    | 2.8%    | 2.8%    | 2.8%    | 2.8%    | 2.8%    | 2.4%    | 2.4%    | 2.4%    |

### Morrisville

Morrisville's real estate tax rates grow at a lower level than the rates described in the baseline scenario, as shown in the table below. The tax rates grow at a compound annual rate of 2.6 percent over the ten-year period, which is 1.3 percentage points lower than the 3.9 percent in the baseline scenario. Although Morrisville's tax rates grow at a slower rate, over the study period its rates still remain much higher than those in Pennsbury. In the current 2022-23 school year, Morrisville's millage rate is 133.6 percent of the rate levied in Pennsbury. By 2032-33 in this scenario, Morrisville's millage rate would be 132.8 percent of Pennsbury's rate. The factors underlying this lower tax growth rate for Morrisville are described in the sections below.

**Morrisville School District  
Scenario 2: Tuition Grades 3 to 12  
Real Estate Tax Millage Rates**

|                   | 22-23   | 23-24   | 24-25   | 25-26   | 26-27   | 27-28   | 28-29   | 29-30   | 30-31   | 31-32   | 32-33   |
|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                   | Budget  | Proj.   |
| Tax Rate          | 239.034 | 250.747 | 260.275 | 270.166 | 280.432 | 280.432 | 286.041 | 291.762 | 297.597 | 303.549 | 309.620 |
| Annual % Increase | 3.0%    | 4.9%    | 3.8%    | 3.8%    | 3.8%    | 0.0%    | 2.0%    | 2.0%    | 2.0%    | 2.0%    | 2.0%    |



With Morrisville's millage increases lower beginning in 2027-28, it is able to support an increase in the overhead charge for Pennsbury in the years after the reduction in classroom support teachers in 2029-30.

## **Transportation Subsidy**

Similar to the merger scenario, the tuition scenario assumes that Pennsbury will add bus routes to accommodate the transportation of Morrisville's students in grades 3 to 12. In the projections, 14 bus drivers and no van drivers are added for the initial routes, and one additional bus driver is added in 2029-30 for increased enrollment.

Based on the lag structure of the transportation subsidy payments, revenues to Pennsbury are increased in the year after the costs are added. Using Pennsbury's 2022-23 budgeted revenues and expenditures as a guide, the subsidy revenue is estimated at 15 percent of the additional costs. Similar to the baseline, revenues are held flat after the annual increases, with the exception of the revenues added for the additional bus route.

## **Extraordinary State Aid**

Scenario 2 assumes that the Commonwealth of Pennsylvania would continue to provide the supplemental \$1.0 million Ready to Learn block grant to Morrisville.

## **All Other Revenue**

All other revenue for Pennsbury and Morrisville continues to grow at the rates described in the baseline projections, with the exception of reimbursement from the Commonwealth for costs of Social Security and PSERS. These benefit reimbursement subsidies are re-calculated based on the increase in costs for Pennsbury and the decrease in costs for Morrisville.

## **Professional Staff**

Based on the staffing analysis outlined in the Academics chapter and summarized in Appendix D, the tuition scenario assumes that Pennsbury would add 40 professional staff to support Morrisville's students in the elementary, middle, and high schools. Support specialists and remediation teachers are maintained at the initial levels for the first five years of the merger, and then staffing levels for these positions are reduced by 50 percent beginning in 2029-30. All other professional staffing levels are held flat after the initial additions in the 2024-25 school year.

In Morrisville, Grandview Elementary School is staffed at the student to teacher ratios used in Pennsbury's schools for all professional staff, which includes classroom teachers, interventionists, psychologists, and special education teachers.



**Pennsbury and Morrisville School Districts  
Professional Staffing Levels  
Scenario 2: Tuition Grades 3 to 12**

|  | 2024-25   | 2025-26   | 2026-27   | 2027-28   | 2028-29   | 2029-30   | 2030-31   | 2031-32   | 2032-33   |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Morrisville Elementary Level (Grades K to 2)</b>              |           |           |           |           |           |           |           |           |           |
| Classroom teachers, support professionals, and special education | 19        | 19        | 19        | 19        | 19        | 19        | 19        | 19        | 19        |
| <b>Pennsbury Elementary Level (Grades 3 to 5)</b>                |           |           |           |           |           |           |           |           |           |
| Classroom teachers   | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| Classroom support specialists                                    | 6         | 6         | 6         | 6         | 6         | 3         | 3         | 3         | 3         |
| Special Education  | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| <b>Elementary Subtotal</b>                                       | <b>9</b>  | <b>9</b>  | <b>9</b>  | <b>9</b>  | <b>9</b>  | <b>6</b>  | <b>6</b>  | <b>6</b>  | <b>6</b>  |
| <b>Pennsbury Secondary Level (6-12)</b>                          |           |           |           |           |           |           |           |           |           |
| High School - Math, Science, Social Studies                      | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         |
| Remediation Teachers - Math, ELA, and Science                    | 12        | 12        | 12        | 12        | 12        | 6         | 6         | 6         | 6         |
| Guidance counselors  | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| Middle School - Math   | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| ESL teachers   | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| Special Education  | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         |
| <b>Secondary Subtotal</b>  | <b>31</b> | <b>31</b> | <b>31</b> | <b>31</b> | <b>31</b> | <b>25</b> | <b>25</b> | <b>25</b> | <b>25</b> |
| <b>Total Pennsbury Professional Staff</b>                        | <b>40</b> | <b>40</b> | <b>40</b> | <b>40</b> | <b>40</b> | <b>31</b> | <b>31</b> | <b>31</b> | <b>31</b> |

Similar to the merger scenario, under a tuition agreement Pennsbury is assumed to consider Morrisville's teaching staff when hiring for the new positions. Costs are estimated using the same average salary approach used in the merger scenario.

In order to calculate savings in Morrisville's budget, the ten-year projections assume that Morrisville would achieve savings at the projected average salary for teachers. If furloughs are used to reduce staff, then the savings may be lower as Morrisville would need to reduce staff based on tenure, which typically is associated with salary levels. If more senior staff depart, then savings would likely be higher.

## Benefits

Similar to the merger scenario, the study assumes that 70 percent of the additional staff members hired by Pennsbury receive healthcare benefits, based on the current ratio of covered staff in Morrisville. In Morrisville, healthcare savings are also estimated at 70 percent of staff reduced. All employees who elect not to receive healthcare coverage are assumed to receive opt out payments as outlined in the contractual agreements with Pennsbury's and Morrisville's employees.

Changes in salaries are used to calculate salary-related benefits using the rates in the baseline projections. These include Social Security, PSERS, ongoing unemployment insurance, and workers' compensation for both Pennsbury and Morrisville.



Per staff rates are used to add or reduce costs for life insurance, vision insurance, and tuition reimbursement for both Pennsbury and Morrisville.

## Transportation

The table below shows the staffing counts for bus drivers for the grades 3 to 12 tuition scenario. As outlined in the Transportation chapter, the study assumes that Pennsbury would add additional drivers as enrollment increases after the tuition agreement is signed. The table below shows the annual driver counts in each of the school years. Based on information provided by the Pennsbury administration, the study assumes that 10 percent of the drivers work an eight-hour day, and the remainder work a 6-hour day based on the current driver workloads. The Transportation chapter outlines the operational costs of buses, which include equipment costs, fuel, insurance, and maintenance.

**Pennsbury School District  
Drivers  
Scenario 2: Tuition Grades 3 to 12**

|                      | 2024-25   | 2025-26   | 2026-27   | 2027-28   | 2028-29   | 2029-30   | 2030-31   | 2031-32   | 2032-33   |
|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Bus Drivers          | 14        | 14        | 14        | 14        | 14        | 15        | 15        | 15        | 15        |
| Van Drivers          | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| <b>Total Drivers</b> | <b>14</b> | <b>14</b> | <b>14</b> | <b>14</b> | <b>14</b> | <b>15</b> | <b>15</b> | <b>15</b> | <b>15</b> |

## All Other Staff

The study assumes that Pennsbury would hire all 19 of Morrisville’s budgeted paraprofessional staff to support special education students in grades 6 to 12 based on the share of students enrolled in Pennsbury. Morrisville would continue to maintain the 6 remaining paraprofessionals for no change in the total 25 staff.

The study assumes that Morrisville’s Middle / Senior High School building is closed, and that it is sold at the end of the 2026-27 school year. However, no proceeds from the sale are assumed. For the years from 2024-25 to 2026-27, the ten-year projections assume that Morrisville reduces four custodians in the first year of the agreement, then retains one custodian to maintain the building, with that final position eliminated in 2027-28. Additional staff reductions with the closure of the Middle / Senior High School include two budgeted principal and assistant principal positions, one clerk, and one staff nurse.

The projections do not assume that Pennsbury would need to add administrative, clerical, custodial, or maintenance positions with the tuition agreement.

## Charter School Tuition

Morrisville would continue to pay directly for any students enrolled in charter schools at the rates calculated using its budgeted expenditures through the PDE-363 form. Changes in the number of Morrisville’s students enrolled in charter schools are outlined in the Enrollment chapter. Pennsbury would see a marginal increase in its charter school tuition rates for the added expenditures from educating Morrisville’s students, and a portion of the tuition payments paid by Morrisville would cover these costs.



## Special Education Services

Morrisville would continue to pay directly for any students educated in classrooms operated by the Intermediate Unit or other service providers. The projections assume that Pennsbury would add some special education staff to support Morrisville's students, which is noted in the section above. Similar to the merger scenario, there may be additional opportunities for savings if Pennsbury and Morrisville are able to share special education services, which may potentially reduce the cost of the services and transportation.

## Classroom Spending

To accommodate the additional students from Morrisville, Pennsbury's per student amounts are used to calculate additional needed spending on instructional supplies, curriculum, and equipment as part of Pennsbury's technology replacement plan. A similar approach is taken for Morrisville to show savings for the students that would be educated in Pennsbury through the tuition agreement.

Tuition paid to Bucks County Technical High School remains in Morrisville's budget, and it is not adjusted from the baseline amounts.

For Pennsbury, per student amounts are used to increase spending on student activities and sports using the increased enrollment in middle and high schools. Student activities spending is set at 75 percent of additional per student costs on the assumption that the majority of budgeted spending is for stipend payments for staff, and Pennsbury would mostly incur additional supplies or equipment spending. Since Morrisville would not operate a middle or high school, all of its spending on student activities and sports are removed from the budget.

## Facilities

Morrisville's utility costs are maintained for three years until the Middle / Senior High School building is sold. There are no proceeds from the sale of the building included in the ten-year projections. Utility costs are reduced by 90 percent in 2027-28 to reflect savings from closing Morrisville's largest building. Beginning immediately with the tuition agreement in 2024-25, half of Morrisville's contracted services are maintained to show the estimated costs of maintaining Grandview Elementary School. In addition, spending on facilities supplies are reduced by 90 percent in 2024-25.

The study assumes that Pennsbury would not incur any additional spending on utilities, services, or supplies with the addition of Morrisville's students.

## Debt Service

Since Morrisville would not need to maintain the Middle / Senior High School building, the additional debt service for renovations is reduced compared to the baseline projections. The study assumes that Morrisville would borrow \$1.5 million in 2024-25 to repair the roof and make renovations at Grandview Elementary School as outlined in the Facilities chapter.

The study assumes that Pennsbury would not incur any additional capital needs with the addition of Morrisville's students beyond those already included in its 20-year capital plan.



## Tuition Paid by Morrisville

In the study, the ten-year projections assume that the tuition agreement between Pennsbury and Morrisville is based on the marginal costs of educating students. In other words, Pennsbury would calculate a rate based on the costs that it would add to its budget net of any reimbursement from the Commonwealth. Pennsbury would receive reimbursement for the costs of Social Security, PSERS, and transportation service for the staff and services added for Morrisville’s students.

The study also assumes that Pennsbury would incur direct and indirect costs related to the tuition agreement. Some examples of direct costs would be the increase in the charter school tuition rates from the marginal increase in expenditures as noted above, or student support costs beyond those anticipated by and funded in the study. Indirect costs would include the time required by the Student Services Office to track enrollment from Morrisville students or from the Business Office for tracking additional spending. These other costs would be compensated by an overhead charge. In order to smooth the financial impact of the reduction in the per student costs in 2029-30 after the reduction of support teachers and to provide additional support for Pennsbury’s capital plan, the study assumes that the overhead rate would increase.

The per student costs and overhead amounts are shown in the table below.

**Annual Tuition Rates  
Scenario 2: Tuition Grades 3 to 12**

|                                  | 24-25           | 25-26           | 26-27           | 27-28           | 28-29           | 29-30           | 30-31           | 31-32           | 32-33           |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                  | Proj.           |
| Per Student Costs                | \$11,098        | \$10,927        | \$10,928        | \$10,942        | \$11,050        | \$9,656         | \$9,990         | \$10,283        | \$10,585        |
| Overhead                         | \$1,665         | \$1,639         | \$1,639         | \$1,641         | \$1,658         | \$2,897         | \$2,997         | \$3,085         | \$3,175         |
| <b>Total Tuition Per Student</b> | <b>\$12,762</b> | <b>\$12,566</b> | <b>\$12,568</b> | <b>\$12,583</b> | <b>\$12,708</b> | <b>\$12,553</b> | <b>\$12,987</b> | <b>\$13,367</b> | <b>\$13,760</b> |
| <b>Overhead Rate</b>             | <b>15%</b>      | <b>15%</b>      | <b>15%</b>      | <b>15%</b>      | <b>15%</b>      | <b>30%</b>      | <b>30%</b>      | <b>30%</b>      | <b>30%</b>      |

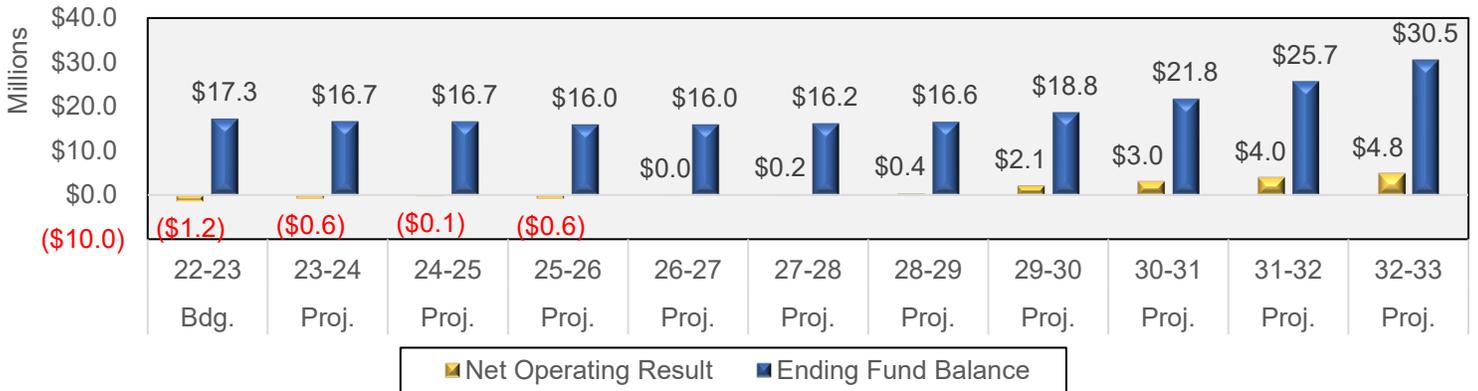
## 10-Year Financial Projections

### Pennsbury

In the table and chart below, the ten-year financial projections are summarized using the assumptions described above and in Appendix D. Similar to the baseline projections and the merger scenario, the study’s tuition scenario for grades 3 to 12 shows that Pennsbury is able to remain financially stable after the costs of educating Morrisville’s students are added to the school district, with results slightly more positive than the baseline.



**Pennsbury School District  
Scenario 2: Tuition Grades 3 to 12  
2022-23 to 2032-33 (\$Millions)**



|                      | 22-23   | 23-24   | 24-25   | 25-26   | 26-27   | 27-28   | 28-29   | 29-30   | 30-31   | 31-32   | 32-33   |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                      | Bdg.    | Proj.   |
| Total Revenues       | \$232.8 | \$237.9 | \$253.5 | \$261.8 | \$270.2 | \$278.8 | \$287.8 | \$296.5 | \$304.9 | \$313.8 | \$322.8 |
| Total Expenditures   | \$234.1 | \$238.5 | \$253.5 | \$262.4 | \$270.1 | \$278.6 | \$287.4 | \$294.3 | \$301.8 | \$309.8 | \$318.0 |
| Net Operating Result | (\$1.2) | (\$0.6) | (\$0.1) | (\$0.6) | \$0.0   | \$0.2   | \$0.4   | \$2.1   | \$3.0   | \$4.0   | \$4.8   |
| Ending Fund Balance  | \$17.3  | \$16.7  | \$16.7  | \$16.0  | \$16.0  | \$16.2  | \$16.6  | \$18.8  | \$21.8  | \$25.7  | \$30.5  |

In the projections, \$9.0 million in revenues are added in the first year of the tuition agreement in 2024-25 with the majority of the revenue coming from Morrisville’s tuition payments, and some marginal reimbursements from the Commonwealth for retirement and transportation costs. Total revenues grow by a compound annual rate of 2.8 percent per year over the eight-year period following the beginning of the tuition agreement, which is largely driven by the increases in Pennsbury’s reimbursements received from the Commonwealth.

After the tuition agreement begins in 2024-25, \$7.9 million in additional costs are added, and these costs grow by a 1.8 percent compound annual rate. Similar to the merger scenario, the reduction of professional staff in 2029-30 results in a decrease in expenditures partway through the projection period.

The annual net financial impact is summarized in the table below with the marginal total revenues and expenditures from this scenario.

**Pennsbury’s Marginal Impacts  
Scenario 2: Tuition Grades 3 to 12**

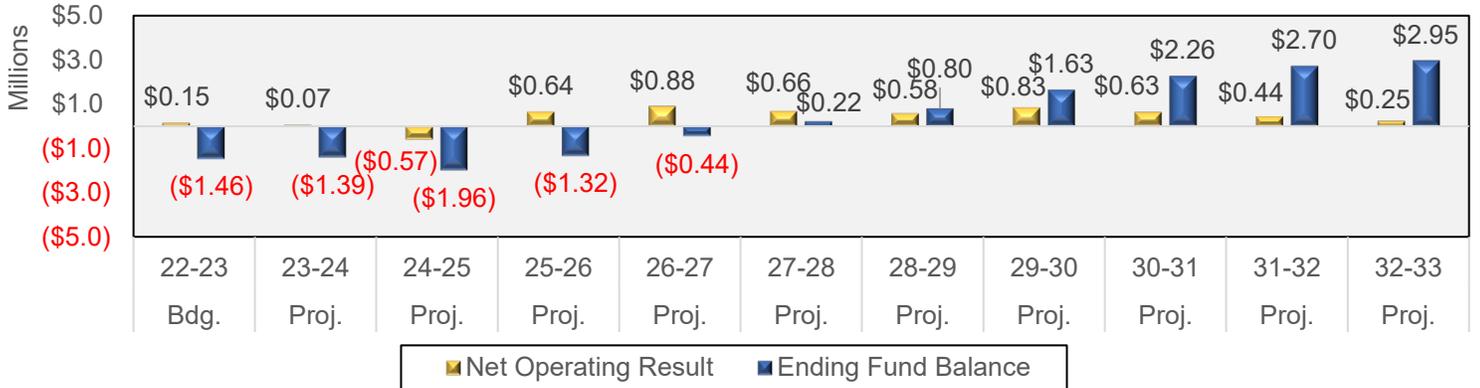
|                       | 24-25 | 25-26 | 26-27 | 27-28  | 28-29  | 29-30  | 30-31  | 31-32  | 32-33  |
|-----------------------|-------|-------|-------|--------|--------|--------|--------|--------|--------|
|                       | Proj. | Proj. | Proj. | Proj.  | Proj.  | Proj.  | Proj.  | Proj.  | Proj.  |
| Marginal Revenues     | \$9.0 | \$9.3 | \$9.7 | \$10.0 | \$10.4 | \$10.2 | \$10.6 | \$10.9 | \$11.2 |
| Marginal Expenditures | \$7.9 | \$8.5 | \$8.8 | \$9.1  | \$9.5  | \$8.4  | \$8.7  | \$8.9  | \$9.2  |
| Net Impact            | \$1.0 | \$0.8 | \$0.9 | \$0.9  | \$0.9  | \$1.8  | \$1.9  | \$2.0  | \$2.1  |



## Morrisville

In the table and chart below, the ten-year financial projections are summarized using the assumptions described above and in Appendix D. Compared to the baseline projections, the tuition agreement allows Morrisville to stabilize its finances sooner and eliminate its accumulated negative fund balance more rapidly.

### Morrisville School District Scenario 2: Tuition Grades 3 to 12 2022-23 to 2032-33 (\$Millions)



|                             | 22-23           | 23-24           | 24-25           | 25-26           | 26-27           | 27-28         | 28-29         | 29-30         | 30-31         | 31-32         | 32-33         |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                             | Bdg.            | Proj.           | Proj.           | Proj.           | Proj.           | Proj.         | Proj.         | Proj.         | Proj.         | Proj.         | Proj.         |
| Total Revenues              | \$23.15         | \$24.70         | \$24.24         | \$24.96         | \$25.70         | \$25.82       | \$26.29       | \$26.80       | \$27.32       | \$27.85       | \$28.40       |
| Total Expenditures          | \$23.00         | \$24.63         | \$24.81         | \$24.32         | \$24.82         | \$25.16       | \$25.71       | \$25.97       | \$26.70       | \$27.41       | \$28.15       |
| <b>Net Operating Result</b> | <b>\$0.15</b>   | <b>\$0.07</b>   | <b>(\$0.57)</b> | <b>\$0.64</b>   | <b>\$0.88</b>   | <b>\$0.66</b> | <b>\$0.58</b> | <b>\$0.83</b> | <b>\$0.63</b> | <b>\$0.44</b> | <b>\$0.25</b> |
| <b>Ending Fund Balance</b>  | <b>(\$1.46)</b> | <b>(\$1.39)</b> | <b>(\$1.96)</b> | <b>(\$1.32)</b> | <b>(\$0.44)</b> | <b>\$0.22</b> | <b>\$0.80</b> | <b>\$1.63</b> | <b>\$2.26</b> | <b>\$2.70</b> | <b>\$2.95</b> |

In this tuition scenario, Morrisville is able to stabilize its finances and raise its real estate taxes at a slower rate compared to the baseline projections. Similar to the merger scenario, this is due to the savings on a per student basis that Morrisville is able to achieve with the tuition agreement. In the table below, the difference in the per student expenditures are shown for Morrisville in the baseline and tuition scenarios for grades 3 to 12.

### Morrisville's Per Student Expenditures Scenario 2: Tuition Grades 3 to 12 vs. Baseline Projections

|                             | 24-25            | 25-26            | 26-27            | 27-28            | 28-29            | 29-30            | 30-31            | 31-32            | 32-33            |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                             | Proj.            |
| Morrisville Tuition 3 to 12 | \$26,997         | \$26,040         | \$26,158         | \$26,100         | \$26,401         | \$26,665         | \$27,409         | \$28,145         | \$28,900         |
| Morrisville Baseline        | \$28,566         | \$29,431         | \$30,258         | \$31,084         | \$31,880         | \$32,700         | \$33,541         | \$34,407         | \$35,296         |
| <b>Difference</b>           | <b>(\$1,568)</b> | <b>(\$3,391)</b> | <b>(\$4,100)</b> | <b>(\$4,984)</b> | <b>(\$5,479)</b> | <b>(\$6,035)</b> | <b>(\$6,132)</b> | <b>(\$6,262)</b> | <b>(\$6,396)</b> |



## Scenario 3: Tuition Grades 6 to 12 to Pennsbury

In scenario 3, Pennsbury and Morrisville would remain independent school districts, and the two would sign a tuition agreement that would become effective in the 2024-25 school year. Morrisville would send its students in grades 6 to 12 to be educated in Pennsbury's schools.

In this scenario, Morrisville's middle school and high school students are bused on local routes to Pennsbury's middle school and high school campuses, respectively. The Morrisville Middle / Senior High School's roof would be repaired, and the building would be renovated to serve as an elementary school. Morrisville's Grandview Elementary School would be closed, and the students in grades K to 2 would be educated in the renovated Middle / Senior High School along with the third through fifth graders already located in that building.

Morrisville's millage rate would grow at the same rate as the baseline projections, and Morrisville would make tuition payments to Pennsbury for the costs of educating its students. Teachers are added at Pennsbury's middle and high school levels to maintain class sizes and provide additional supports for Morrisville's students. Pennsbury's tax rates are not changed from the amounts in the baseline scenario which aligns with its current ten-year financial plan.

### Real Estate Taxes

Under the tuition scenario where grades 6 to 12 are educated in Pennsbury, the tax rates are not changed from the levels shown in the baseline scenario for both Pennsbury and Morrisville. Since the expenditure savings for Morrisville are less in the 6 to 12 scenario compared to the tuition scenario where elementary grades are added, the marginal savings do not allow Morrisville to support the same level of lower tax increases.

### Transportation Subsidy

Similar to the merger scenario, the tuition scenario assumes that Pennsbury will add bus routes to accommodate the transportation of Morrisville's students in grades 6 to 12. In the projections, 10 bus drivers and no van drivers are added for the initial routes, and one additional bus driver is added in 2029-30 for increased enrollment.

Based on the lag structure of the transportation subsidy payments, revenues to Pennsbury are increased in the year after the costs are added. Using Pennsbury's 2022-23 budgeted revenues and expenditures as a guide, the subsidy revenue is estimated at 15 percent of the additional costs. Similar to the baseline, revenues are held flat after the annual increases, with the exception of the revenues added for each additional bus route.

### Extraordinary State Aid

Scenario 3 assumes that the Commonwealth of Pennsylvania would continue to provide the supplemental \$1.0 million Ready to Learn block grant to Morrisville.



## All Other Revenue

All other revenue for Pennsbury and Morrisville continues to grow at the rates described in the baseline projections, with the exception of reimbursement from the Commonwealth for costs of Social Security and PSERS. These benefit reimbursement subsidies are recalculated based on the increase in costs for Pennsbury and the decrease in costs for Morrisville.

## Professional Staff

Based on the staffing analysis outlined in the Academics chapter and summarized in Appendix D, the tuition scenario assumes that Pennsbury would add 31 professional staff to support Morrisville's students in the middle and high schools. Support specialists and remediation teachers are maintained at the initial levels for the first five years of the merger, and then staffing levels for these positions are reduced by 50 percent beginning in 2029-30. All other professional staffing levels are held flat after the initial additions in the 2024-25 school year.

In Morrisville, the K-5 building is staffed at the student to teacher ratios used in Pennsbury's schools for all professional staff, which includes classroom teachers, interventionists, psychologists, and special education teachers.

### Pennsbury and Morrisville School Districts Professional Staffing Levels Scenario 3: Tuition Grades 6 to 12

|  | 2024-25   | 2025-26   | 2026-27   | 2027-28   | 2028-29   | 2029-30   | 2030-31   | 2031-32   | 2032-33   |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Morrisville Elementary Level (Grades K to 5)</b>              |           |           |           |           |           |           |           |           |           |
| Classroom teachers, support professionals, and special education | 38        | 38        | 38        | 38        | 38        | 39        | 39        | 39        | 39        |
| <b>Pennsbury Secondary Level (6-12)</b>                          |           |           |           |           |           |           |           |           |           |
| High School - Math, Science, Social Studies                      | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         |
| Remediation Teachers - Math, ELA, and Science                    | 12        | 12        | 12        | 12        | 12        | 6         | 6         | 6         | 6         |
| Guidance counselors  | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| Middle School - Math   | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| ESL teachers   | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| Special Education  | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         |
| <b>Total Pennsbury Professional Staff</b>                        | <b>31</b> | <b>31</b> | <b>31</b> | <b>31</b> | <b>31</b> | <b>25</b> | <b>25</b> | <b>25</b> | <b>25</b> |

Similar to the merger scenario, Pennsbury is assumed to consider Morrisville's teaching staff when hiring for the new positions. Costs are estimated using the same average salary approach used in the merger scenario.

In order to calculate savings in Morrisville's budget in scenario 3, the ten-year projections assume that Morrisville would achieve savings at the projected average salary for teachers. If furloughs are used to reduce staff, then the savings may be lower as Morrisville would need to reduce staff based on tenure,



which typically is associated with salary levels. If more senior staff depart, then savings would likely be higher.

## Benefits

Similar to the merger scenario and scenario 2, in scenario 3 the study assumes that 70 percent of the additional staff members hired by Pennsbury receive healthcare benefits, based on the current ratio of covered staff in Morrisville. In Morrisville, healthcare savings are also estimated at 70 percent of staff reduced. All employees who elect not to receive healthcare coverage are assumed to receive opt out payments as outlined in the contractual agreements with Pennsbury’s and Morrisville’s employees. Changes in salaries are used to calculate salary-related benefits using the rates in the baseline projections. These include Social Security, PSERS, ongoing unemployment insurance, and workers’ compensation for both Pennsbury and Morrisville.

Per staff rates are used to add or reduce costs for life insurance, vision insurance, and tuition reimbursement for both Pennsbury and Morrisville.

## Transportation

The table below shows the staffing counts for bus drivers for the grades 6 to 12 tuition scenario. As outlined in the Transportation chapter, the study assumes that Pennsbury would add additional drivers as enrollment increases after the tuition agreement is signed. The table below shows the annual driver counts in each of the school years. Based on information provided by the Pennsbury administration, the study assumes that 10 percent of the drivers work an eight-hour day, and the remainder work a 6-hour day based on the current driver workloads. The Transportation chapter outlines the operational costs of buses, which include equipment costs, fuel, insurance, and maintenance.

**Pennsbury School District  
Drivers  
Scenario 3: Tuition Grades 6 to 12**

|                      | 2024-25   | 2025-26   | 2026-27   | 2027-28   | 2028-29   | 2029-30   | 2030-31   | 2031-32   | 2032-33   |
|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Bus Drivers          | 10        | 10        | 10        | 10        | 10        | 11        | 11        | 11        | 11        |
| Van Drivers          | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| <b>Total Drivers</b> | <b>10</b> | <b>10</b> | <b>10</b> | <b>10</b> | <b>10</b> | <b>11</b> | <b>11</b> | <b>11</b> | <b>11</b> |

## All Other Staff

The study assumes that Pennsbury would hire all 13 of Morrisville’s budgeted paraprofessional staff to support special education students in grades 6 to 12 based on the share of students enrolled in Pennsbury. Morrisville would continue to maintain the 12 remaining paraprofessionals for no change in the total 25 staff.

In scenario 3, the study assumes that Morrisville’s Grandview Elementary School is closed, and that it is sold at the end of the 2026-27 school year. For the years from 2024-25 to 2026-27, the ten-year projections assume that Morrisville reduces one custodian in the first year of the agreement, then retains one custodian to maintain the building, with that final position eliminated in 2027-28. Additional staff reductions with the closure of Grandview Elementary School include two budgeted principal and assistant principal positions, one clerk, and one staff nurse.



The projections do not assume that Pennsbury would need to add administrative, clerical, custodial, or maintenance positions with the tuition agreement.

## **Charter School Tuition**

Morrisville would continue to pay directly for any students enrolled in charter schools at the rates calculated using its budgeted expenditures through the PDE-363 form. Changes in the number of Morrisville's students enrolled in charter schools are outlined in the Enrollment chapter. Pennsbury would see a marginal increase in its charter school tuition rates for the added expenditures from educating Morrisville's students, and a portion of the tuition payments paid by Morrisville would cover these costs.

## **Special Education Services**

Morrisville would continue to pay directly for any students educated in classrooms operated by the Intermediate Unit or other service providers. The projections assume that Pennsbury would add some special education staff to support Morrisville's students, which is noted in the section above. Similar to the merger scenario, there may be additional opportunities for savings if Pennsbury and Morrisville are able to share special education services, which may potentially reduce the cost of the services and transportation.

## **Classroom Spending**

To accommodate the additional students from Morrisville, Pennsbury's per student amounts are used to calculate additional needed spending on instructional supplies, curriculum, and equipment as part of Pennsbury's technology replacement plan. A similar approach is taken for Morrisville to show savings for the students that would be educated in Pennsbury through the tuition agreement.

Tuition paid to Bucks County Technical High School remains in Morrisville's budget, and it is not adjusted from the baseline amounts.

For Pennsbury, per student amounts are used to increase spending on student activities and sports using the increased enrollment in middle and high schools. Student activities spending is set at 75 percent of additional per student costs on the assumption that the majority of budgeted spending is for stipend payments for staff, and Pennsbury would mostly incur additional supplies or equipment spending. Since Morrisville would not operate a middle or high school, all of its spending on student activities and sports are removed from the budget.

## **Facilities**

Morrisville's utility costs are maintained for three years until Grandview Elementary School is sold. There are no proceeds from the sale of the building included in the ten-year projections. Utility costs are reduced by 10 percent in 2027-28 to reflect savings from closing Morrisville's smallest building. Beginning immediately with the tuition agreement in 2024-25, Morrisville's contracted services are reduced by 25 percent to show the estimated costs of maintaining the Middle / Senior High School building but not Grandview. In addition, spending on facilities supplies are reduced by 10 percent in 2024-25.

The study assumes that Pennsbury would not incur any additional spending on utilities, services, or supplies with the addition of Morrisville's students.



## Debt Service

Since Morrisville the Middle / Senior High School building's roof is the largest capital expenditure identified in the Facilities chapter analysis, this tuition scenario assumes that Morrisville borrows the full \$6.0 million for renovation projects. The funds needed to repair the roof at Grandview Elementary School in scenarios 1 and 2 instead would be spent in scenario 3 on classroom renovations to convert the Middle / Senior High School to a K-5 building.

The study assumes that Pennsbury would not have any further capital needs with the addition of Morrisville's students beyond those already included in its 20-year capital plan.

## Tuition Paid by Morrisville

In the study, the ten-year projections assume that the tuition agreement between Pennsbury and Morrisville is based on the marginal costs of educating students. In other words, Pennsbury would calculate a rate based on the costs that it would add to its budget net of any reimbursement from the Commonwealth. Pennsbury would receive reimbursement for the costs of Social Security, PSERS, and transportation service for the staff and services added for Morrisville's students.

The study also assumes that Pennsbury would incur direct and indirect costs related to the tuition agreement. Some examples of direct costs would be the increase in the charter school tuition rates from the marginal increase in expenditures as noted above, or student support costs beyond those anticipated by and funded in the study. Indirect costs would include the time required by the Student Services Office to track enrollment from Morrisville students or from the Business Office for tracking additional spending. These other costs would be compensated by an overhead charge. In order to smooth the financial impact of the reduction in the per student costs in 2029-30 after the reduction of support teachers and to provide additional support for Pennsbury's capital plan, the study assumes that the overhead rate would increase.

**Annual Tuition Rates  
Scenario 3: Tuition Grades 6 to 12**

|                              | 24-25           | 25-26           | 26-27           | 27-28           | 28-29           | 29-30           | 30-31           | 31-32           | 32-33           |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                              | Proj.           |
| Per Student Costs            | \$12,694        | \$12,530        | \$12,552        | \$12,585        | \$12,717        | \$11,378        | \$11,760        | \$12,108        | \$12,466        |
| Overhead                     | \$1,269         | \$1,253         | \$1,255         | \$1,259         | \$1,272         | \$2,276         | \$2,352         | \$2,422         | \$2,493         |
| <b>Total Tuition Payment</b> | <b>\$13,964</b> | <b>\$13,783</b> | <b>\$13,807</b> | <b>\$13,844</b> | <b>\$13,989</b> | <b>\$13,654</b> | <b>\$14,112</b> | <b>\$14,529</b> | <b>\$14,959</b> |
| <b>Overhead Rate</b>         | <b>10%</b>      | <b>10%</b>      | <b>10%</b>      | <b>10%</b>      | <b>10%</b>      | <b>20%</b>      | <b>20%</b>      | <b>20%</b>      | <b>20%</b>      |

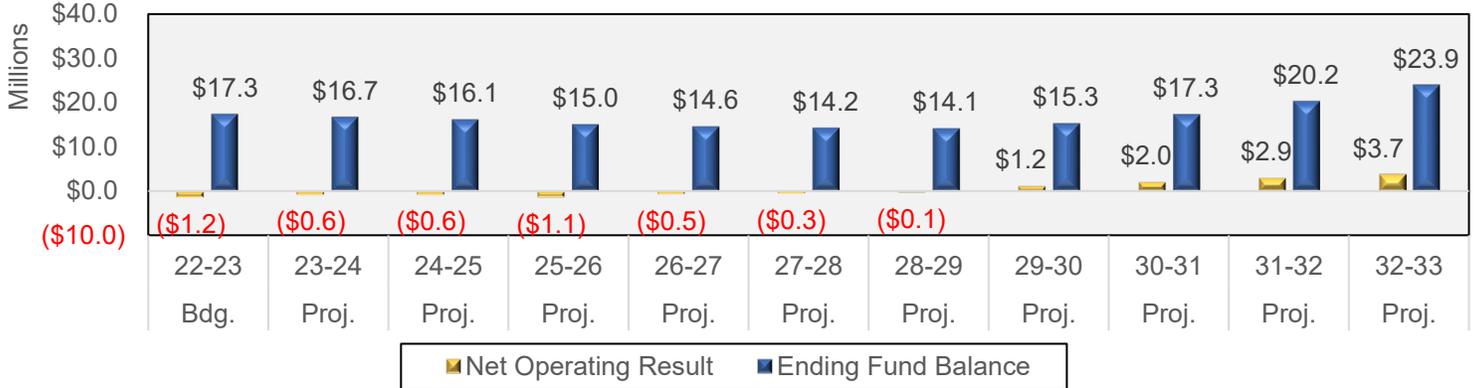
## 10-Year Financial Projections

### Pennsbury

In the table and chart below, the ten-year financial projections for scenario 3 are summarized using the assumptions described above and in Appendix D. Similar to the baseline projections and the merger scenario, the study's tuition scenario for grades 6 to 12 shows that Pennsbury is able to remain financially stable after the costs of educating Morrisville's students are added to the school district, with results slightly more positive than the baseline.



**Pennsbury School District  
Scenario 3: Tuition Grades 6 to 12  
2022-23 to 2032-33 (\$Millions)**



|                      | 22-23   | 23-24   | 24-25   | 25-26   | 26-27   | 27-28   | 28-29   | 29-30   | 30-31   | 31-32   | 32-33   |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                      | Bdg.    | Proj.   |
| Total Revenues       | \$232.8 | \$237.9 | \$251.0 | \$259.2 | \$267.5 | \$276.0 | \$284.9 | \$293.6 | \$301.9 | \$310.7 | \$319.6 |
| Total Expenditures   | \$234.1 | \$238.5 | \$251.6 | \$260.3 | \$268.0 | \$276.3 | \$285.0 | \$292.4 | \$299.9 | \$307.8 | \$315.9 |
| Net Operating Result | (\$1.2) | (\$0.6) | (\$0.6) | (\$1.1) | (\$0.5) | (\$0.3) | (\$0.1) | \$1.2   | \$2.0   | \$2.9   | \$3.7   |
| Ending Fund Balance  | \$17.3  | \$16.7  | \$16.1  | \$15.0  | \$14.6  | \$14.2  | \$14.1  | \$15.3  | \$17.3  | \$20.2  | \$23.9  |

In the projections for scenario 3, \$6.5 million in revenues are added in the first year of the tuition agreement in 2024-25 with the majority of the revenue coming from Morrisville’s tuition payments, and some marginal reimbursements from the Commonwealth for retirement and transportation costs. Total revenues grow by a compound annual rate of 2.7 percent per year over the eight-year period following the beginning of the tuition agreement, which is largely driven by the increases in Pennsbury’s reimbursements received from the Commonwealth.

After the tuition agreement begins in 2024-25, \$6.0 million in additional costs are added, and these costs grow by a 2.1 percent compound annual rate. Similar to the merger scenario, the reduction of professional staff in 2029-30 results in a decrease in expenditures partway through the projection period.

The annual net financial impact is summarized in the table below with the marginal total revenues and expenditures from this scenario.

**Pennsbury’s Marginal Impacts  
Scenario 3: Tuition Grades 6 to 12**

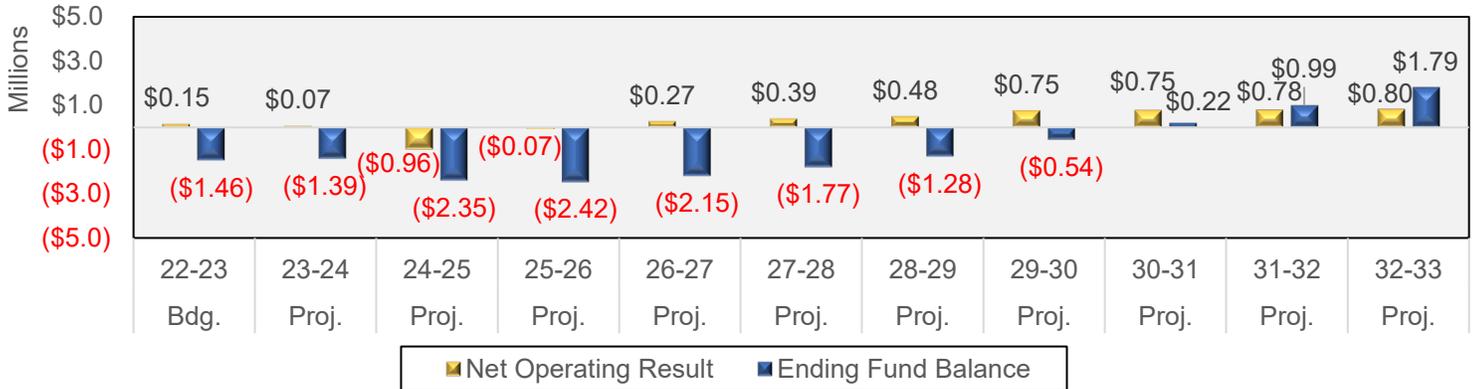
|                       | 24-25 | 25-26 | 26-27 | 27-28 | 28-29 | 29-30 | 30-31 | 31-32 | 32-33 |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                       | Proj. |
| Marginal Revenues     | \$6.5 | \$6.8 | \$7.0 | \$7.3 | \$7.5 | \$7.4 | \$7.6 | \$7.8 | \$8.1 |
| Marginal Expenditures | \$6.0 | \$6.4 | \$6.7 | \$6.9 | \$7.1 | \$6.5 | \$6.7 | \$6.9 | \$7.1 |
| Net Impact            | \$0.5 | \$0.4 | \$0.4 | \$0.4 | \$0.4 | \$0.9 | \$0.9 | \$1.0 | \$1.0 |



## Morrisville

In the table and chart below, the ten-year financial projections for scenario 3 are summarized using the assumptions described above and in Appendix D. Compared to the baseline projections, the tuition agreement allows Morrisville to stabilize its finances sooner and eliminate its accumulated negative fund balance at a faster rate compared to the baseline projections.

### Morrisville School District Scenario 3: Tuition Grades 6 to 12 2022-23 to 2032-33 (\$Millions)



|                             | 22-23           | 23-24           | 24-25           | 25-26           | 26-27           | 27-28           | 28-29           | 29-30           | 30-31         | 31-32         | 32-33         |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|---------------|---------------|
|                             | Bdg.            | Proj.           | Proj.         | Proj.         | Proj.         |
| Total Revenues              | \$23.15         | \$24.70         | \$24.82         | \$25.73         | \$26.67         | \$27.36         | \$28.08         | \$28.84         | \$29.61       | \$30.39       | \$31.20       |
| Total Expenditures          | \$23.00         | \$24.63         | \$25.79         | \$25.80         | \$26.40         | \$26.97         | \$27.60         | \$28.10         | \$28.85       | \$29.62       | \$30.40       |
| <b>Net Operating Result</b> | <b>\$0.15</b>   | <b>\$0.07</b>   | <b>(\$0.96)</b> | <b>(\$0.07)</b> | <b>\$0.27</b>   | <b>\$0.39</b>   | <b>\$0.48</b>   | <b>\$0.75</b>   | <b>\$0.75</b> | <b>\$0.78</b> | <b>\$0.80</b> |
| <b>Ending Fund Balance</b>  | <b>(\$1.46)</b> | <b>(\$1.39)</b> | <b>(\$2.35)</b> | <b>(\$2.42)</b> | <b>(\$2.15)</b> | <b>(\$1.77)</b> | <b>(\$1.28)</b> | <b>(\$0.54)</b> | <b>\$0.22</b> | <b>\$0.99</b> | <b>\$1.79</b> |

In this tuition scenario, Morrisville is able to generate positive net results and eliminate its negative accumulated fund balance faster compared to the baseline projections, due to the reduction in its per student expenditures. Since the savings of the tuition agreement for grades 6 to 12 are lower than those shown for the scenario with the elementary students included, the savings are not sufficient to allow Morrisville to reduce the overall growth in its tax rate.

### Morrisville's Per Student Expenditures Scenario 3: Tuition Grades 6 to 12 vs. Baseline Projections

|                             | 24-25          | 25-26            | 26-27            | 27-28            | 28-29            | 29-30            | 30-31            | 31-32            | 32-33            |
|-----------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                             | Proj.          | Proj.            | Proj.            | Proj.            | Proj.            | Proj.            | Proj.            | Proj.            | Proj.            |
| Morrisville Tuition 6 to 12 | \$28,243       | \$27,978         | \$28,355         | \$28,693         | \$29,172         | \$29,703         | \$30,499         | \$31,306         | \$32,134         |
| Morrisville Baseline        | \$28,566       | \$29,431         | \$30,258         | \$31,084         | \$31,880         | \$32,700         | \$33,541         | \$34,407         | \$35,296         |
| <b>Difference</b>           | <b>(\$322)</b> | <b>(\$1,453)</b> | <b>(\$1,903)</b> | <b>(\$2,391)</b> | <b>(\$2,708)</b> | <b>(\$2,997)</b> | <b>(\$3,042)</b> | <b>(\$3,101)</b> | <b>(\$3,162)</b> |



## Collaboration

During the course of the study team's review of the academic programs, operations, and finances of Pennsbury and Morrisville, a number of potential areas were identified where both Pennsbury and Morrisville could benefit from and begin collaboration without entering into a merger or tuition agreement. Although not specifically requested as part of the scope of the study, the team has summarized some of these potential services where the two school districts could partner to improve services to students or lower costs.

### Potential areas of collaboration

The study team recommends that Pennsbury and Morrisville consider each of these potential areas as small steps to begin working together for mutual benefit. Work in each of the areas described below could start at any time before merging or entering into a tuition agreement or if the districts decide not to pursue merger or a tuition agreement. The two school districts may require some additional review and coordination to determine the extent of the feasibility to pursue the opportunities as part of a formal partnership. Generally, each of these areas would involve Morrisville paying Pennsbury for the costs of the services provided.

- **Business Office:** Morrisville currently contracts for an accountant, which may be provided by Pennsbury if it has capacity; Morrisville noted that improvements could be made in federal grant reporting and accounting, which could be a more targeted approach for support from Pennsbury.
- **Blended/Hybrid/In-Person Learning:** Morrisville's smaller size limits its ability to offer a broad range of courses, particularly at the high school level; Pennsbury may be able to allow Morrisville's students to enroll in some courses remotely or in-person.
- **Curriculum Development:** Morrisville may be able to work with Pennsbury's teachers during its curriculum revision process to begin aligning its materials with those used by Pennsbury and to benefit from Pennsbury's experience at establishing and maintaining an ongoing curriculum revision process.
- **Facilities:** Morrisville currently contracts for many specialized maintenance services (ex. HVAC or plumbing); if Pennsbury has sufficient capacity, the two districts may be able to partner for services if it would lead to savings. This could involve trades services to Morrisville based on existing Pennsbury capacity, or shared additional capacity that would reduce overtime or contracted services for both districts.
- **Food Service:** Morrisville's Grandview Elementary School does not have the space for a fully equipped kitchen; if Pennsbury has a vehicle equipped to transport hot food, it may be able to deliver food to the building, which would save Morrisville the costs of renting a vehicle.
- **Special Education:** Morrisville spends a greater share of its budget on tuition and contracted services for special education programs; there may be opportunities to send students to Pennsbury on a tuition basis if there is enough capacity in classrooms for specific exceptionalities; this may lead to reduced transportation needs as well.



- 
- **Transportation:** Morrisville currently contracts with Neshaminy for a bus to transport students to the technical school; if Pennsbury has a sufficient number of drivers, this may be an alternative option for Morrisville to contract with Pennsbury for the service.



## Appendix A: Feasibility Committee Members

### Feasibility Study Committee Members (In alphabetical order):

Rob Abrahams, Pennsbury School District resident  
Chris Berdnik, CFO, Pennsbury School District  
Travis Bloom, Middle School Building Representative, Pennsbury School District  
Marcy Cohen, Morrisville Educational Support Personnel Association  
Jessica Evans, Morrisville School District parent  
Kristinann Greeley, Pennsbury School District parent  
Sean Haines, Superintendent, Morrisville School District  
Mark Hoffman, Executive Director, Bucks County Intermediate Unit  
Stephanie Hultquist, Elementary School Building Representative, Pennsbury School District  
Kevin Jones, Morrisville Education Association  
Marla Lipkin, Pennsbury Educational Support Professionals Association  
Samarth Mannikeri, Pennsbury School District student  
Cindy McCaskey, Morrisville resident  
Damon Miller, President, Board of School Directors, Morrisville School District  
Nicole Pierce, Pennsbury Education Association  
Faith Raccagno, Pennsbury School District parent  
Regina Rasusch, Pennsbury School District special education representative  
Toby (Gabriela) Robledo, Morrisville School District student  
Gary Sanderson, Vice President, Board of School Directors, Pennsbury School District  
Jon Shiota, Business Manager, Morrisville School District  
Tom Smith, Superintendent, Pennsbury School District  
Ryan Staub, High School Building Representative, Pennsbury School District  
Joanna Steere, Member, Board of School Directors, Pennsbury School District  
Kimmie Steffy, Director of Financial Services, Pennsbury School District  
Joshua Waldorf, Member, Board of School Directors, Pennsbury School District

### Feasibility Study Committee Consultant Staff

Dean Kaplan, Managing Director, Public Financial Management  
Meredith Brett, Senior Managing Consultant, Public Financial Management  
Ian Tyson, Senior Managing Consultant, Public Financial Management

### Feasibility Study Committee Meeting Dates

Monday, September 19, 2022  
Monday, October 3, 2022  
Monday, October 17, 2022  
Monday, November 14, 2022



## Appendix B: Enrollment Data

### Pennsbury School District Enrollment by School

| School                              | 2016-17       | 2017-18       | 2018-19      | 2019-20      | 2020-21      | 2021-22      | 2022-23      |
|-------------------------------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|
| Afton Elementary School             | 581           | 595           | 583          | 553          | 499          | 542          | 510          |
| Edgewood Elementary School          | 533           | 570           | 573          | 557          | 501          | 516          | 555          |
| Eleanor Roosevelt Elementary School | 552           | 551           | 569          | 582          | 566          | 555          | 570          |
| Fallsington Elementary School       | 273           | 250           | 270          | 276          | 267          | 268          | 262          |
| Makefield Elementary School         | 401           | 414           | 403          | 399          | 363          | 373          | 399          |
| Manor Elementary School             | 454           | 437           | 437          | 449          | 434          | 445          | 435          |
| Oxford Valley Elementary School     | 437           | 425           | 417          | 412          | 392          | 382          | 408          |
| Penn Valley Elementary School       | 394           | 408           | 410          | 418          | 407          | 411          | 383          |
| Quarry Hill Elementary School       | 484           | 482           | 480          | 489          | 446          | 472          | 475          |
| Walt Disney Elementary School       | 417           | 387           | 379          | 363          | 339          | 384          | 360          |
| <b>Elementary Schools</b>           | <b>4,526</b>  | <b>4,519</b>  | <b>4,521</b> | <b>4,498</b> | <b>4,214</b> | <b>4,348</b> | <b>4,357</b> |
| Charles H Boehm Middle School       | 740           | 709           | 692          | 707          | 713          | 715          | 716          |
| Pennwood Middle School              | 779           | 772           | 775          | 787          | 755          | 757          | 735          |
| William Penn Middle School          | 962           | 944           | 946          | 964          | 961          | 928          | 923          |
| <b>Middle Schools</b>               | <b>2,481</b>  | <b>2,425</b>  | <b>2,413</b> | <b>2,458</b> | <b>2,429</b> | <b>2,400</b> | <b>2,374</b> |
| Pennsbury High School               | 3,175         | 3,091         | 3,056        | 2,951        | 2,901        | 2,925        | 2,882        |
| <b>Total</b>                        | <b>10,182</b> | <b>10,035</b> | <b>9,990</b> | <b>9,907</b> | <b>9,544</b> | <b>9,673</b> | <b>9,613</b> |

Source: Pennsylvania Department of Education, October Enrollment reports; 2022-23 provided by Pennsbury.

### Morrisville School District Enrollment by School

| School                       | 2016-17    | 2017-18    | 2018-19    | 2019-20    | 2020-21    | 2021-22    | 2022-23    |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|
| Grandview Elementary School  | 199        | 211        | 206        | 236        | 196        | 216        | 203        |
| Morrisville Intermediate Sch | 207        | 196        | 198        | 201        | 198        | 206        | 207        |
| Morrisville Middle School    | 211        | 212        | 217        | 210        | 180        | 192        | 188        |
| Morrisville High School      | 229        | 227        | 227        | 226        | 237        | 216        | 215        |
| <b>Total</b>                 | <b>846</b> | <b>846</b> | <b>848</b> | <b>873</b> | <b>811</b> | <b>830</b> | <b>813</b> |

Source: Pennsylvania Department of Education, October Enrollment reports; 2022-23 provided by Morrisville.



## Appendix C: Academic Data

### Percentage of Proficient or Advanced Test Score by School 2021-22 School Year

|                                     | ELA<br>Percent<br>Proficient or<br>Advanced | Math<br>Percent<br>Proficient or<br>Advanced | Science<br>Percent<br>Proficient or<br>Advanced |
|-------------------------------------|---|--|---|
| <b>Pennsbury School District</b>    |   |  |   |
| Afton Elementary School             | 82.3%                                       | 72.6%  | 88.9%   |
| Edgewood Elementary School          | 81.9%                                       | 75.6%  | 84.5%   |
| Eleanor Roosevelt Elementary School | 69.0%                                       | 61.9%  | 83.1%   |
| Fallsington Elementary School       | 67.7%                                       | 52.8%  | 78.4%   |
| Makefield Elementary School         | 73.7%                                       | 64.4%  | 86.4%   |
| Manor Elementary School             | 53.2%                                       | 43.4%  | 90.5%   |
| Oxford Valley Elementary School     | 65.0%                                       | 58.5%  | 77.1%   |
| Penn Valley Elementary School       | 55.3%                                       | 39.2%  | 83.1%   |
| Quarry Hill Elementary School       | 81.7%                                       | 73.5%  | 88.7%   |
| Walt Disney Elementary School       | 67.3%                                       | 57.6%  | 86.7%   |
| Charles H Boehm Middle School       | 72.5%                                       | 37.6%  | 65.9%   |
| Pennwood Middle School              | 66.2%                                       | 33.0%  | 58.6%   |
| William Penn Middle School          | 71.3%                                       | 35.3%  | 57.6%   |
| Village Park Academy                | I/S   | I/S  | I/S   |
| Pennsbury High School               | 80.2%                                       | 84.9%  | 60.4%   |
| <b>Morrisville School District</b>  |   |  |   |
| Grandview Elementary School         | N/A   | N/A  | N/A   |
| Morrisville Intermediate School     | 38.5%                                       | 22.7%  | 70.0%   |
| Morrisville Middle/High School      | 33.3%                                       | 7.1%   | 28.6%   |
| <b>Statewide Average</b>            | <b>54.1%</b>                                | <b>35.7%</b>                                 | <b>54.4%</b>                                    |

Source: Pennsylvania Department of Education, Assessments.

### Historical Percentage of Proficient or Advanced Test Scores

|  | 2017-18      | 2018-19      | 2019-20    | 2020-21      | 2021-22      |
|--|--------------|--------------|------------|--------------|--------------|
| <b>Grade 4 PSSA</b>                        |              |              |            |              |              |
| PSD ELA                                    | 74.7%        | 82.3%        | N/A        | 69.6%        | 70.8%        |
| MSD ELA                                    | 54.4%        | 43.5%        | N/A        | 22.9%        | 34.5%        |
| <b>Statewide Average - Grade 4 ELA</b>     | <b>59.8%</b> | <b>63.6%</b> | <b>N/A</b> | <b>56.6%</b> | <b>52.2%</b> |
| PSD Math                                   | 61.2%        | 68.5%        | N/A        | 47.6%        | 59.3%        |
| MSD Math                                   | 26.8%        | 25.8%        | N/A        | 0.0%         | 15.5%        |
| <b>Statewide Average - Grade 4 Math</b>    | <b>43.5%</b> | <b>46.2%</b> | <b>N/A</b> | <b>35.6%</b> | <b>42.3%</b> |
| PSD Science                                | 86.1%        | 91.5%        | N/A        | 83.6%        | 86.3%        |
| MSD Science                                | 82.2%        | 66.2%        | N/A        | 50.0%        | 70.7%        |
| <b>Statewide Average - Grade 4 Science</b> | <b>75.5%</b> | <b>77.8%</b> | <b>N/A</b> | <b>75.8%</b> | <b>73.7%</b> |



|  | 2017-18      | 2018-19      | 2019-20    | 2020-21      | 2021-22      |
|--|--------------|--------------|------------|--------------|--------------|
| <b>Grade 8 PSSA</b>                            |              |              |            |              |              |
| PSD ELA  | 78.0%        | 74.6%        | N/A        | 68.2%        | 72.6%        |
| MSD ELA  | 57.1%        | 40.6%        | N/A        | 28.6%        | 39.0%        |
| <b>Statewide Average - Grade 8 ELA</b>         | <b>61.5%</b> | <b>57.9%</b> | <b>N/A</b> | <b>52.6%</b> | <b>55.6%</b> |
| PSD Math                                       | 34.5%        | 36.8%        | N/A        | 26.5%        | 27.4%        |
| MSD Math                                       | 3.5%         | 18.7%        | N/A        | 0.0%         | 0.0%         |
| <b>Statewide Average - Grade 8 Math</b>        | <b>31.1%</b> | <b>32.2%</b> | <b>N/A</b> | <b>22.1%</b> | <b>22.6%</b> |
| PSD Science                                    | 71.4%        | 74.7%        | N/A        | 58.7%        | 63.9%        |
| MSD Science                                    | 37.5%        | 42.2%        | N/A        | 14.3%        | 31.1%        |
| <b>Statewide Average - Grade 8 Science</b>     | <b>53.9%</b> | <b>58.2%</b> | <b>N/A</b> | <b>50.8%</b> | <b>51.1%</b> |
| <b>Grade 11 Keystone</b>                       |              |              |            |              |              |
| PSD Literature                                 | 84.6%        | 86.3%        | N/A        | N/A          | 81.0%        |
| MSD Literature                                 | 61.1%        | 67.5%        | N/A        | N/A          | 34.2%        |
| <b>Statewide Average - Grade 11 Literature</b> | <b>72.7%</b> | <b>71.5%</b> | <b>N/A</b> | <b>49.6%</b> | <b>64.9%</b> |
| PSD Algebra 1                                  | 76.3%        | 76.4%        | N/A        | 67.7%        | 86.3%        |
| MSD Algebra 1                                  | 50.9%        | 43.6%        | N/A        | 41.6%        | 14.7%        |
| <b>Statewide Average - Grade 11 Algebra 1</b>  | <b>65.2%</b> | <b>63.3%</b> | <b>N/A</b> | <b>62.4%</b> | <b>63.9%</b> |
| PSD Biology                                    | 77.5%        | 80.8%        | N/A        | 58.1%        | 61.5%        |
| MSD Biology                                    | 48.1%        | 29.5%        | N/A        | N/A          | N/A          |
| <b>Statewide Average - Grade 11 Biology</b>    | <b>64.4%</b> | <b>63.2%</b> | <b>N/A</b> | <b>67.6%</b> | <b>41.9%</b> |

Source: Pennsylvania Department of Education, Assessments.

### Regular Attendance by School 2021-22 School Year

|                                     | Percentage of Students with Regular Attendance |
|-------------------------------------|--|
| <b>Pennsbury School District</b>    |  |
| Afton Elementary School             | 98.4%  |
| Edgewood Elementary School          | 98.6%  |
| Eleanor Roosevelt Elementary School | 95.8%  |
| Fallsington Elementary School       | 95.2%  |
| Makefield Elementary School         | 95.1%  |
| Manor Elementary School             | 88.0%  |
| Oxford Valley Elementary School     | 96.9%  |
| Penn Valley Elementary School       | 92.0%  |
| Quarry Hill Elementary School       | 97.8%  |
| Walt Disney Elementary School       | 93.3%  |
| Charles H Boehm Middle School       | 98.9%  |
| Pennwood Middle School              | 96.9%  |
| William Penn Middle School          | 94.2%  |
| Village Park Academy                | I/S  |



| Percentage of Students with Regular Attendance |              |
|--|--------------|
| Pennsbury High School                          | 84.2%        |
| <b>Morrisville School District</b>             |              |
| Grandview Elementary School                    | 79.5%        |
| Morrisville Intermediate School                | 81.7%        |
| Morrisville Middle/High School                 | 79.4%        |
| <b>Statewide Average</b>                       | <b>82.2%</b> |

Source: Pennsylvania Department of Education, Future Ready PA Index, On-Track Measures.

**Morrisville School District  
Estimated Step Placement  
2022-23 School Year  
After January Step Movement**

| Step         | B        | B15      | M         | M15      | M30       | Total     |
|--------------|----------|----------|-----------|----------|-----------|-----------|
| 0            | 0        | 0        | 0         | 0        | 0         | 0         |
| 1            | 2        | 0        | 0         | 0        | 2         | 4         |
| 2            | 3        | 1        | 3         | 1        | 3         | 11        |
| 3            | 1        | 0        | 2         | 1        | 3         | 7         |
| 4            | 1        | 0        | 1         | 0        | 1         | 3         |
| 5            | 0        | 0        | 1         | 0        | 2         | 3         |
| 6            | 0        | 0        | 0         | 0        | 1         | 1         |
| 7            | 0        | 0        | 2         | 0        | 0         | 2         |
| 8            | 0        | 0        | 0         | 0        | 0         | 0         |
| 9            | 0        | 0        | 0         | 0        | 2         | 2         |
| 10           | 0        | 0        | 1         | 2        | 2         | 5         |
| 11           | 1        | 0        | 0         | 0        | 4         | 5         |
| 12           | 0        | 0        | 0         | 0        | 3         | 3         |
| 13           | 1        | 0        | 1         | 2        | 21        | 25        |
| <b>Total</b> | <b>9</b> | <b>1</b> | <b>11</b> | <b>6</b> | <b>44</b> | <b>71</b> |

Source: Staffing data provided by Morrisville.



## Elementary School Curriculum

|              | Pennsbury  | Morrisville   |
|--------------|--|---|
| Kindergarten | Shared Reading<br>Read Aloud<br>Shared Math<br>Social Studies/Science<br>Writing               | English Language Arts<br>Math<br>Science/Social Studies<br>Foundational Skills/Writing            |
| Grade 1      | Shared Reading<br>Structured Phonics<br>Social Studies/Science<br>Writing<br>Shared Math       | English Language Arts<br>Science/Social Studies<br>Foundational<br>Skills/Grammar/Writing<br>Math |
| Grade 2      | Shared Reading<br>Structured Phonics<br>Writing<br>Shared Math<br>Social Studies/Science       | English Language Arts<br>Foundational<br>Skills/Grammar/Writing<br>Math<br>Science/Social Studies |
| Grade 3      | Shared Math<br>Writing<br>Read Aloud<br>Shared Reading/Word<br>Study<br>Social Studies/Science | Math<br>Grammar/Writing<br>Writing<br>English Language Arts<br>Science/Social Studies             |
| Grade 4      | Shared Math<br>Word Study<br>Read Aloud<br>Shared Reading<br>Social Studies/Science<br>Writing | Math<br>English Language Arts<br>Science/Social Studies<br>Grammar/Writing                        |
| Grade 5      | Social Studies/Science<br>Writing<br>Shared Math/Reading<br>Shared Math/Reading                | Science/Social Studies<br>Grammar/Writing<br>Math<br>English Language Arts                        |
| Specials     | Library, Art, Music, PE,<br>Spark  | Library, Art, Music, PE   |

**Source:** Program of Studies provided by both school districts.



## Middle School Curriculum

|          | Pennsbury  | Morrisville  |
|----------|--|--|
| Grade 6  | Language Arts 6, Advanced<br>Math 6, Advanced<br>Social Studies 6<br>Science 6th   | Language Arts 6<br>Math 6<br>Social Studies 6<br>Science 6                                       |
| Grade 7  | Language Arts 7, Advanced<br>Math 7, Advanced Math 7,<br>Algebra 1<br>Social Studies 7<br>Science 7  | Language Arts 7<br>Math 7<br>Social Studies 7<br>Science 7                                       |
| Grade 8  | English 8, Advanced English<br>8, Critical Literature<br>Math 8, Algebra 1, Geometry,<br>Algebra 2 Honors<br>Social Studies 8<br>Science 8 | Language Arts 8<br><br>Intro to Algebra, Algebra 1<br><br>Social Studies 8<br>Science 8          |
| Specials | Art, Family Consumer<br>Science, Music, Middle School<br>Information Technology, PE,<br>Health, Ignite                                     | Art, Library (6 <sup>th</sup> ), Tech<br>Education (7-8 <sup>th</sup> ), Music, PE /<br>Wellness |

**Source:** Program of Studies provided by both school districts.

## High School Curriculum

|          | Pennsbury   | Morrisville <sup>50</sup>  |
|----------|---|--|
| Grade 9  | English 9, Honors<br>World History 1, Honors<br>Science 9, Phys Sci Honors<br>Math choice*<br>Phys Ed, Health 9 | English 9, Honors<br>American History I, Honors<br>Physical Science, Biology, Biology A<br>Algebra IA, IB, II, Geometry, Honors Geometry<br>Wellness   |
| Grade 10 | English 10, Honors<br>Global Studies, Honors<br>Biology, Honors<br>Math choice*<br>Phys Ed, Heath 10            | English 10, Honors<br>Government, Honors<br>Chemistry, Biology B<br>Algebra IB, II, Geometry, Honors Geometry<br>Wellness  |
| Grade 11 | English 11, Honors<br>Modern US History, Honors<br>Science Choice**<br>Math Choice*<br>Phys Ed, Sports Nite     | English 11, Honors<br>American History II, Honors<br>Chemistry, Chemistry in the Community, Physics,<br>Environmental Science<br>Algebra II, Honors Algebra II, Geometry, Pre-Calculus,<br>Found/App Math I<br>Phys Ed 11/12 |
| Grade 12 | English 12, Honors<br>American Gov & Econ, Honors<br>Science choice**<br>Math choice*<br>Phys Ed, Sports Nite   | English 12, Honors<br>World Cultures, College Course<br>Physics, Enviro Sci, College Science Course<br>Geometry, Algebra II, Pre-Calculus, Calculus,<br>Found/App Math II, College Math Course<br>Phys Ed 11/12              |

**Source:** Program of Studies provided by both school districts.

<sup>50</sup> Morrisville offers honors courses in each core subject for students with prior approval.



**Pennsbury High School  
Math Choice Options**

| Subject                   | Courses   |
|---------------------------|---|
| Geometry                  | Geometry, Applied Geometry, Honors Geometry   |
| Algebra                   | Algebra 1, Algebra IA, Algebra IB, Honors Algebra, Algebra 2, Applied Algebra 2, Honors Algebra 2   |
| Pre-Calculus and Calculus | Precalculus & Discrete Math, Honors Precalculus & Discrete Math, Calculus, Honors Calculus, AP Calculus AB, AP Calculus BC, Multivariate Calculus |
| Statistics                | Statistics, AP Statistics, Applied Statistics & Financial Algebra   |
| Other                     | Survey of Mathematics & Trigonometry, Business Math, AP Computer Science Principles, Mathematics Seminar  |

Source: Program of Studies provided by Pennsbury.

**Pennsbury High School  
Science Choice Options**

| Subject               | Courses   |
|-----------------------|---|
| Physics               | Physics, Honors Physics, AP Physics 1, AP Physics 2, AP Physics C, Physics of Astronomy |
| Chemistry             | Chemistry, Chemistry 2, AP Chemistry, Honors Chemistry 1, Honors Chemistry 2            |
| Biology               | AP Biology, Biology 2, Honors Biology 2, Aquatic Biology                                |
| Environmental Science | Environmental Science, AP Environmental Science   |
| Anatomy & Physiology  | Human Anatomy & Physiology 1, Human Anatomy & Physiology 2                              |
| Integrated Science    | Integrated Science, Conceptual Integrated Science                                       |

Source: Program of Studies provided by Pennsbury.

**Pennsbury High School  
Advanced Placement Course Options**

| Subject          | Courses  |
|------------------|--|
| Art              | Art & Design, Art History  |
| Computer Science | Computer Science, Computer Science Principles                              |
| English          | Language & Composition, Literature & Composition                           |
| Economics        | Macroeconomics, Microeconomics   |
| Math             | Calculus AB, Calculus BC, Statistics                                       |
| Science          | Biology, Chemistry, Environmental Science, Physics 1, Physics 2, Physics C |
| History          | Modern European History, US Government & Politics, United States History   |
| Foreign Language | German Language, Spanish Language, French Language                         |
| Other            | Psychology, Music Theory   |

Source: Program of Studies provided by Pennsbury.



## High School Extra Curricular Activities

|                               | Pennsbury  | Morrisville  |
|-------------------------------|--|--|
| Clubs                         | Anatomy and Physiology Club, Be Hear / Stay Woke, Chess Team and Club, Environmental Science Club, Family, Career, and Community Leaders of America, Falcon Fan Club, French Club, Future Business Leaders of America, Future STEM and Medicine, Gay Straight Alliance, German Club, History Book Club, Interact Club, Key Club, Literary Magazine, Mathletics, Multi-Cultural Youth Leaders, Newspaper "The Voice", Peers of Pennsbury, The Pennsbury Channel, Pennsbury Science Discovery Club, Pennsbury Sea Falcons Submersible Robotics Team, Photography Club, Principals Advisory Committee, Prom Committee, Reading Olympics, Salt & Light, Student Alliance for Gender Equality, Science Discovery Club, Spanish Conversation Club, Speech and Debate Team, Student Council, Student Life, Sunrise Movement PHS, Technology Student Association, Vex Robotics Club, Yearbook, Young Engineers | 21 <sup>st</sup> Century Learning Center Clubs/Activities, Yearbook, Student Government, Future Business Leaders of America, Newspaper |
| Sports                        | Baseball, Basketball B, Basketball G, Bowling, Cheerleading, Cross Country B, Cross Country G, Field Hockey, Football, Golf, Lacrosse B, Lacrosse G, Soccer B, Soccer G, Softball, Swimming, Tennis B, Tennis G, Track and Field, Winter Track, Volleyball B, Volleyball G, Wrestling  | Field Hockey, Soccer, Football, Cheerleading, Basketball B, Basketball G, Bowling B, Bowling G, Baseball, Softball                     |
| Music/Dance                   | Annual School Musical, Chamber Choir, Dance Team, Drama Club, Falconairs, Marching Band, Stage Crew, Thespian Troupe 830   | Marching Band, Drama, Chorus, Concert/Jazz Band  |
| Honor Society                 | National Business Honor Society, National Society of Black Engineers, National Honor Society   | National Honor Society   |
| Philanthropy/<br>Volunteering | Best Buddies, Catering Club, Mini-THON, Operation Smile Club, Operation Warm Club, PHS Abundance Club, PHS PAWS 4 a Good Cause, Red Cross Club, Soles4Souls, Trenton Area Soup Kitchen Club, UNICEF, The Water Club, WINK4PINK   |  |
| <b>Total</b>                  | <b>85</b>  | <b>19<sup>51</sup></b>   |

**Source:** List of extracurricular activities provided by the school districts.



## Appendix D: Scenario Assumptions

### Scenario Summaries

This section summarizes the three study scenarios. More detail on each element is available in the individual chapters of this report.

#### **Scenario 1: Merger**

Pennsbury and Morrisville combine effective in the 2024-25 school year. Grandview Elementary School remains open as a K-2 school operated by Pennsbury, and Morrisville's grade 3-5 students are bused on local routes (no central pickup) to Pennsbury's elementary schools. Morrisville Middle / Senior High School is closed, and Morrisville's middle school and high school students are bused on local routes (no central pickup) to Pennsbury's middle school and high school campuses, respectively. The roof is repaired at Morrisville's Grandview Elementary school, additional renovations take place at the school, and the existing and new debt is assumed by Pennsbury. No renovations take place at the Middle / Senior High School. Morrisville's millage rate is adjusted to Pennsbury's rate at the time of the merger. Most of Morrisville's administrative positions are eliminated. Teachers are added at the elementary, middle, and high school levels to maintain current maximum class sizes and provide additional supports for Morrisville's students.

#### **Scenario 2: Tuition Grades 3 to 12**

Grandview Elementary School is renovated to operate as a standalone K-2 building without food service support from the Middle / Senior High School. Grandview's roof is replaced, and additional renovations take place to ensure enough instructional and administrative space is located at the building. Morrisville Middle / Senior High School is closed, and Morrisville's middle school and high school students are bused on local routes (no central pickup) to Pennsbury's middle school and high school campuses, respectively. Morrisville increases staffing at the K-2 building to match staffing levels in Pennsbury, and Pennsbury hires teachers to support a portion of the additional students at the elementary, middle, and high schools.

#### **Scenario 3: Tuition Grades 6 to 12**

Morrisville's middle school and high school students are bused on local routes (no central pickup) to Pennsbury's middle school and high school campuses, respectively. Grandview Elementary School is closed, and Morrisville's K-2 students join the grade 3-5 students at the current Middle / Senior High School building. Morrisville's Middle / Senior High School roof is repaired, and the capital otherwise designated for Grandview's roof is reallocated to renovate the Middle / Senior High School building for a K-5 configuration. Morrisville increases staffing at the K-5 building to match staffing levels in Pennsbury, and Pennsbury hires additional teachers to support a portion of the additional students at the middle and high schools.

### **Collaboration**

Collaboration in some areas can start immediately and continue under any scenario or in the absence of a merger or tuition agreement. Generally, these areas of collaboration will involve Morrisville paying Pennsbury for services. These may include: business office support for grants or accounting; IT support; food service; special education services; transportation; virtual programs and staff from Pennsbury; curriculum alignment and training.



## Revenue Assumptions

|  | Merger   | Tuition Agreements  |
|--|--|---|
| Real estate taxes                                | <ul style="list-style-type: none"> <li>• \$63.3 million in MSD assessed value becomes part of PSD's assessed value in 2024-25</li> <li>• Baseline MSD assessed value reductions are slowed, and then growth resumes               <ul style="list-style-type: none"> <li>○ 2025-26 and 2028-29: flat</li> <li>○ 2029-30 to 2032-33: 0.2 percent growth</li> </ul> </li> <li>• 0.2 percent growth is based on the ten-year CAGR for Tullytown borough</li> <li>• Revenues are re-calculated at the PSD baseline tax rates</li> <li>• Collection rates are held flat from the MSD baseline               <ul style="list-style-type: none"> <li>○ Current: 97.0 percent</li> <li>○ Delinquent: 98.5 percent</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Morrisville               <ul style="list-style-type: none"> <li>○ Assessed value growth rates are aligned with the merger scenario assumptions</li> <li>○ Tuition Grades 3 to 12: tax rate increases are reduced compared to the baseline projections</li> <li>○ Tuition Grades 6 to 12: tax rates are the same as the baseline projections</li> </ul> </li> <li>• Pennsbury: no changes</li> </ul>   |
| Tuition paid by Morrisville                      | <ul style="list-style-type: none"> <li>• None</li> </ul>   | <ul style="list-style-type: none"> <li>• Pennsbury               <ul style="list-style-type: none"> <li>○ Model calculates the marginal per student expense of the additional services provided by Pennsbury</li> <li>○ Costs are adjusted annually based on changes in expenses and the staffing levels assumed in the model</li> <li>○ Tuition Grades 3 to 12:                   <ul style="list-style-type: none"> <li>▪ A factor of 15 percent is applied to cover fixed costs and the administration of the tuition agreement for 2024-25 to 2028-29</li> <li>▪ The fixed cost percentage is increased to 30 percent beginning in 2029-30 after the remediation teacher count is reduced</li> </ul> </li> <li>○ Tuition Grades 6 to 12:                   <ul style="list-style-type: none"> <li>▪ 10 percent initial fixed cost factor</li> <li>▪ Percentage is increased to 20 percent beginning in 2029-30</li> </ul> </li> </ul> </li> </ul> |
| Other local revenues                             | <ul style="list-style-type: none"> <li>• All other local revenues are transferred to PSD</li> <li>• Morrisville's real estate transfer tax revenues begin growing at the same rate as Pennsbury's after one year</li> <li>• Only PSD has PILOTs, which would continue to grow at baseline rate</li> </ul>  | <ul style="list-style-type: none"> <li>• No changes</li> </ul>  |
| Commonwealth Basic and Special Education Funding | <ul style="list-style-type: none"> <li>• Base allocations are transferred to PSD and held flat</li> <li>• Student-weighted portions of the funding are re-calculated by adding Morrisville's enrollment and student demographics to Pennsbury</li> </ul>   | <ul style="list-style-type: none"> <li>• No changes</li> </ul>  |
| State Retirement Reimbursement                   | <ul style="list-style-type: none"> <li>• Pennsbury's Market Value / Personal Income aid ratio is recalculated with Morrisville's data</li> <li>• The resulting increase in the MV/PI ratio is still below the 50 percent threshold for enhanced State reimbursement</li> </ul>   | <ul style="list-style-type: none"> <li>• No changes</li> </ul>  |



|                         | Merger  | Tuition Agreements  |
|-------------------------|---|---|
| Transportation Subsidy  | <ul style="list-style-type: none"> <li>Estimated at 15.0 percent of the projected costs consistent with Pennsbury's 2022-23 revenue and expenditures</li> <li>Revenues are increased in 2027-28 and 2030-31 to reflect the increased transportation costs</li> <li>\$37,500 is added based on the estimated increase in Pennsbury's Market Value ratio for its current subsidy reimbursement, which is used in the calculation of the subsidy</li> <li>Revenues are held flat after the increases, similar to the baseline assumptions</li> </ul> | <ul style="list-style-type: none"> <li>Morrisville: no changes</li> <li>Pennsbury               <ul style="list-style-type: none"> <li>Same methodology as the merger scenario</li> <li>Revenues are adjusted for the different cost structures of transporting Grades 3 to 12 or Grades 6 to 12</li> </ul> </li> </ul> |
| Extraordinary State aid | <ul style="list-style-type: none"> <li>The current Morrisville \$1.0 million supplemental Ready to Learn block grant is not transferred to Pennsbury</li> </ul>   | <ul style="list-style-type: none"> <li>Morrisville:               <ul style="list-style-type: none"> <li>Continues to receive the \$1.0 million supplemental Ready to Learn block grant each year</li> </ul> </li> <li>Pennsbury: no changes</li> </ul>   |
| All other revenues      | <ul style="list-style-type: none"> <li>Federal revenues continue at the baseline 2.0 percent annual increase</li> <li>All other revenues are held flat</li> </ul>   | <ul style="list-style-type: none"> <li>No changes</li> </ul>  |

## Professional Staffing Assumptions

### Merger (Scenario 1): Professional Staffing Levels

- Elementary level grades K-2:
  - Assumes Grandview Elementary School remains open, operated by Pennsbury
  - Staffing levels are based on Pennsbury's average 11.1 students per professional staff
  - Staffing levels include classroom teachers, psychologists, special education teachers, ESL teachers, and other support specialists
- Elementary level grades 3 to 5:
  - Assumes one additional classroom teacher to accommodate Morrisville's bubble class (grade 1 in the 2022-23 school year)
  - Assumes two specialists per subject area (English Language Arts, Mathematics, and Science); staffing levels are reduced by half in the sixth year of merger
  - Includes Morrisville's elementary level special education teachers adjusted for enrollment in grades 3 to 5
- High school: based on the analysis of the master schedules and class sizes at the high school
- Secondary-level remediation teachers
  - Assumes additional teachers are needed in the medium term to support student achievement and to integrate the Morrisville students into Pennsbury's curriculum
  - Assumes two teachers per subject area per level (middle and high school)
  - Staffing levels are reduced by half in the sixth year of merger
- Guidance counselors: assumes one additional for middle school and one for high school
- English as a second language teachers: assumes 40 ESL students from Morrisville and caseloads of 20 students per teacher
- Middle school: based on the analysis of the master schedules and class sizes at the three middle schools
- Special education: assumes all 9 of Morrisville's budgeted special education teachers at the secondary level are transferred to ensure continuity; does not assume Pennsbury would be able to achieve economies of scale



**Pennsbury School District  
Professional Staffing Levels  
Scenario 1: Merger**

|  | 2024-25   | 2025-26   | 2026-27   | 2027-28   | 2028-29   | 2029-30   | 2030-31   | 2031-32   | 2032-33   |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Elementary Level (Grades K to 2)</b>                          |           |           |           |           |           |           |           |           |           |
| Classroom teachers, support professionals, and special education | 20        | 20        | 21        | 22        | 23        | 23        | 23        | 23        | 23        |
| <b>Elementary Level (Grades 3 to 5)</b>                          |           |           |           |           |           |           |           |           |           |
| Classroom teachers   | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| Classroom support specialists                                    | 6         | 6         | 6         | 6         | 6         | 3         | 3         | 3         | 3         |
| Special Education  | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| <b>Elementary Subtotal</b>                                       | <b>9</b>  | <b>9</b>  | <b>9</b>  | <b>9</b>  | <b>9</b>  | <b>6</b>  | <b>6</b>  | <b>6</b>  | <b>6</b>  |
| <b>Secondary Level (6-12)</b>                                    |           |           |           |           |           |           |           |           |           |
| High School - Math, Science, Social Studies                      | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         |
| Remediation Teachers - Math, ELA, and Science                    | 12        | 12        | 12        | 12        | 12        | 6         | 6         | 6         | 6         |
| Guidance counselors  | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| Middle School - Math   | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| ESL teachers   | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| Special Education  | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         |
| <b>Secondary Subtotal</b>  | <b>31</b> | <b>31</b> | <b>31</b> | <b>31</b> | <b>31</b> | <b>25</b> | <b>25</b> | <b>25</b> | <b>25</b> |
| <b>Total Professional Staff</b>                                  | <b>60</b> | <b>60</b> | <b>61</b> | <b>62</b> | <b>63</b> | <b>54</b> | <b>54</b> | <b>54</b> | <b>54</b> |

**Tuition Scenarios: Professional Staffing Levels**

- Morrisville’s elementary school: 11.1 student to teacher ratio is used to estimate staffing in one of Morrisville’s school buildings; enrollment is adjusted for students returning from charter schools, as well as the K to 2 or K to 5 grade configurations
- Pennsbury’s elementary level grades 3 to 5:
  - Assumes one additional classroom teacher to accommodate Morrisville’s bubble class (grade 1 in the 2022-23 school year)
  - Assumes two specialists per subject area (English Language Arts, Mathematics, and Science); staffing levels are reduced by half in the sixth year of merger
  - Includes Morrisville’s elementary level special education teachers adjusted for enrollment in grades 3 to 5
- High school: based on the analysis of the master schedules and class sizes at the high school
- Secondary-level remediation teachers
  - Assumes additional teachers are needed in the short term to support student achievement and to integrate Morrisville the students into Pennsbury’s curriculum
  - Assumes two teachers per subject area per level (middle and high school)
  - Staffing levels are reduced by half in the sixth year of merger
- Guidance counselors: assumes one additional for middle school and one for high school
- English as a second language teachers: assumes 40 ESL students from Morrisville and caseloads of 20 students per teacher



- Middle school: based on the analysis of the master schedules and class sizes at the three middle schools
- Special education: assumes all 9 of Morrisville's budgeted special education teachers are transferred to ensure continuity

**Professional Staffing Levels  
Scenario 2: Tuition Grades 3 to 12**

|  | 2024-25   | 2025-26   | 2026-27   | 2027-28   | 2028-29   | 2029-30   | 2030-31   | 2031-32   | 2032-33   |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Morrisville Elementary Level (Grades K to 2)</b>              |           |           |           |           |           |           |           |           |           |
| Classroom teachers, support professionals, and special education | 19        | 19        | 19        | 19        | 19        | 19        | 19        | 19        | 19        |
| <b>Pennsbury Elementary Level (Grades 3 to 5)</b>                |           |           |           |           |           |           |           |           |           |
| Classroom teachers   | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| Classroom support specialists                                    | 6         | 6         | 6         | 6         | 6         | 3         | 3         | 3         | 3         |
| Special Education  | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| <b>Elementary Subtotal</b>                                       | <b>9</b>  | <b>9</b>  | <b>9</b>  | <b>9</b>  | <b>9</b>  | <b>6</b>  | <b>6</b>  | <b>6</b>  | <b>6</b>  |
| <b>Pennsbury Secondary Level (6-12)</b>                          |           |           |           |           |           |           |           |           |           |
| High School - Math, Science, Social Studies                      | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         |
| Remediation Teachers - Math, ELA, and Science                    | 12        | 12        | 12        | 12        | 12        | 6         | 6         | 6         | 6         |
| Guidance counselors  | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| Middle School - Math   | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| ESL teachers   | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| Special Education  | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         |
| <b>Secondary Subtotal</b>  | <b>31</b> | <b>31</b> | <b>31</b> | <b>31</b> | <b>31</b> | <b>25</b> | <b>25</b> | <b>25</b> | <b>25</b> |
| <b>Total Pennsbury Professional Staff</b>                        | <b>40</b> | <b>40</b> | <b>40</b> | <b>40</b> | <b>40</b> | <b>31</b> | <b>31</b> | <b>31</b> | <b>31</b> |



**Professional Staffing Levels  
Scenario 3: Tuition Grades 6 to 12**

|  | 2024-25   | 2025-26   | 2026-27   | 2027-28   | 2028-29   | 2029-30   | 2030-31   | 2031-32   | 2032-33   |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Morrisville Elementary Level (Grades K to 5)</b>              |           |           |           |           |           |           |           |           |           |
| Classroom teachers, support professionals, and special education | 38        | 38        | 38        | 38        | 38        | 39        | 39        | 39        | 39        |
| <b>Pennsbury Secondary Level (6-12)</b>                          |           |           |           |           |           |           |           |           |           |
| High School - Math, Science, Social Studies                      | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         |
| Remediation Teachers - Math, ELA, and Science                    | 12        | 12        | 12        | 12        | 12        | 6         | 6         | 6         | 6         |
| Guidance counselors  | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| Middle School - Math   | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| ESL teachers   | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| Special Education  | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         |
| <b>Total Pennsbury Professional Staff</b>                        | <b>31</b> | <b>31</b> | <b>31</b> | <b>31</b> | <b>31</b> | <b>25</b> | <b>25</b> | <b>25</b> | <b>25</b> |

**Expenditure Assumptions: Personnel Costs**

|  | Merger  | Tuition Agreement   |
|--|---|---|
| Professional staff (teachers, nurses, and psychologists) | <ul style="list-style-type: none"> <li>Assumes Morrisville teachers continue to receive step increases in 2023-24 and 2024-25 as a preliminary estimate since Morrisville's contract expires at the end of the current school year               <ul style="list-style-type: none"> <li>Morrisville's salary schedule is not adjusted to stay in line with the baseline 3.0 percent salary growth rate</li> </ul> </li> <li>Morrisville teachers are placed on Pennsbury's salary schedule in 2024-25</li> <li>These updated, recalculated salaries for Morrisville teachers are divided by 71 teaching staff to arrive at an average salary per teacher</li> <li>Average salary is multiplied by the staffing levels in the section above, and the average salary is increased annually by Pennsbury's baseline 3.0 percent growth rate</li> </ul> | <ul style="list-style-type: none"> <li>Morrisville               <ul style="list-style-type: none"> <li>Salaries are reduced to staff Morrisville as a single building</li> <li>Staffing levels are based on Pennsbury's elementary school average student to teacher ratios</li> <li>Staffing levels are adjusted for the number of students attending Pennsbury and those returning from charter schools and non-public schools</li> </ul> </li> <li>Pennsbury               <ul style="list-style-type: none"> <li>School staffing levels are based on the levels shown above</li> <li>Teachers are hired at the average salary used in the merger scenario</li> </ul> </li> </ul> |
| Paraprofessionals  | <ul style="list-style-type: none"> <li>All 25 of Morrisville's budgeted paraprofessionals are transferred to Pennsbury</li> <li>Hourly rates are projected based on Morrisville's current support contract</li> <li>Staff are placed at the nearest hourly rate on Pennsbury's salary schedule scale</li> <li>Staff receive future annual increases in the hourly rate, and recognition of years of service at the levels assumed for Pennsbury</li> </ul>  | <ul style="list-style-type: none"> <li>Tuition Grades 3 to 12:               <ul style="list-style-type: none"> <li>19 staff are transferred to Pennsbury based on the share of enrollment</li> <li>6 staff remain in Morrisville</li> </ul> </li> <li>Tuition Grades 6 to 12:               <ul style="list-style-type: none"> <li>13 staff are transferred to Pennsbury based on the share of enrollment</li> <li>12 staff remain in Morrisville</li> </ul> </li> </ul>   |
| Administrators and Clerical staff                        | <ul style="list-style-type: none"> <li>One principal is retained from Morrisville for Grandview Elementary School</li> </ul>  | <ul style="list-style-type: none"> <li>Morrisville</li> </ul>   |



| Merger                         |   | Tuition Agreement   |
|--------------------------------|---|---|
|                                | <ul style="list-style-type: none"> <li>Two clerks are retained from Morrisville for Grandview Elementary School</li> </ul>  | <ul style="list-style-type: none"> <li>2 budgeted positions (principal and assistant principal) are reduced for the closed building</li> <li>1 clerk is reduced for closing Grandview Elementary School or the Middle / Senior High School</li> <li>Pennsbury: no changes</li> </ul>  |
| Staff nurse (support contract) | <ul style="list-style-type: none"> <li>One staff nurse is retained from Morrisville for Grandview Elementary School</li> </ul>  | <ul style="list-style-type: none"> <li>Morrisville:               <ul style="list-style-type: none"> <li>1 staff nurse is reduced for Grandview Elementary School or the Middle / Senior High School</li> </ul> </li> <li>Pennsbury: no changes</li> </ul>  |
| Custodians and maintenance     | <ul style="list-style-type: none"> <li>Two custodians and one maintenance mechanic are retained to maintain Grandview Elementary School</li> <li>One custodian is kept for the closed buildings in Morrisville from 2024-25 to 2026-27; position is reduced in 2027-28</li> <li>Hourly rate placement is based on the paraprofessional methodology</li> </ul>   | <ul style="list-style-type: none"> <li>Morrisville:               <ul style="list-style-type: none"> <li>One custodian is retained to maintain the closed building from 2024-25 to 2026-27</li> <li>Tuition Grades 3 to 12: All 5 custodians from the Middle / Senior High School are reduced by the time of the building sale at the end of 2026-27</li> <li>Tuition Grades 6 to 12: Both of the custodians from Grandview are reduced by the time of the building sale</li> </ul> </li> <li>Pennsbury: no changes</li> </ul>              |
| Drivers                        | <ul style="list-style-type: none"> <li>4 van drivers are retained from Morrisville</li> <li>Bus drivers are hired by Pennsbury to support Morrisville's routes               <ul style="list-style-type: none"> <li>Initial routes: 14 drivers</li> <li>Increased enrollment: 1 additional driver in 2029-30</li> </ul> </li> <li>Hourly rate placement is based on the paraprofessional methodology</li> </ul> | <ul style="list-style-type: none"> <li>Morrisville: no changes</li> <li>Pennsbury:               <ul style="list-style-type: none"> <li>Tuition Grades 3 to 12:                   <ul style="list-style-type: none"> <li>Initial routes: 14 drivers</li> <li>Increased enrollment: 1 driver hired in 2029-30</li> </ul> </li> <li>Tuition Grades 6 to 12:                   <ul style="list-style-type: none"> <li>Initial routes: 10 drivers</li> <li>Increased enrollment: one driver hired in 2029-30</li> </ul> </li> </ul> </li> </ul> |
| Central office staff           | <ul style="list-style-type: none"> <li>Superintendent and business manager are retained for 2024-25 to support the transition, and then the positions are eliminated</li> <li>Pennsbury's central office staff noted that there would not be a need to hire additional permanent staff to take on any administrative functions from Morrisville</li> </ul>  | <ul style="list-style-type: none"> <li>No changes</li> </ul>  |
| Healthcare                     | <ul style="list-style-type: none"> <li>Employer share of costs is estimated for each year based on the contribution rates for Pennsbury's contract</li> <li>Assumes 70 percent of Morrisville's staff receive health benefits based on current staff selection</li> <li>Employees who elect not to receive coverage are assumed to receive opt out payments</li> </ul>  | <ul style="list-style-type: none"> <li>Healthcare adjustments are based on the full-time equivalent changes in Morrisville and Pennsbury</li> <li>Estimates assume that 70 percent of staff receive health benefits based on Morrisville's current staff selection</li> <li>Employees who elect not to receive coverage are assumed to receive opt out payments</li> </ul>  |



## Expenditure Assumptions: Other Costs

|                                   | Merger  | Tuition Agreement   |
|-----------------------------------|---|---|
| Transportation Operations         | <ul style="list-style-type: none"> <li>Assumes annual operating expenditures for buses and vans as outlined in the Transportation chapter and the drivers section above</li> <li>Annual lease costs, fuel, and maintenance are increased by the model inflationary assumptions</li> <li>IU transportation costs are transferred to Pennsbury with no adjustment</li> </ul>                                    | <ul style="list-style-type: none"> <li>Morrisville: no changes</li> <li>Pennsbury: costs are aligned with the merger scenario for the 10 additional buses and drivers as described above</li> </ul>   |
| Tuition paid to Pennsbury         | <ul style="list-style-type: none"> <li>None</li> </ul>  | <ul style="list-style-type: none"> <li>Morrisville               <ul style="list-style-type: none"> <li>Model calculates the marginal per student costs of the additional services provided by Pennsbury</li> <li>A factor of 20 percent is applied to cover fixed costs and the administration of the tuition agreement</li> <li>Costs are adjusted annually based on changes in costs and the staffing levels assumed in the model</li> </ul> </li> </ul>   |
| Charter school tuition            | <ul style="list-style-type: none"> <li>Morrisville's enrollment in charter schools is based on the assumptions in the Enrollment chapter</li> <li>Morrisville's average daily membership is included in the calculation of Pennsbury's tuition rates</li> <li>Additional costs from the transfer of programs and operations from Morrisville are included in Pennsbury's tuition rate calculations</li> </ul> | <ul style="list-style-type: none"> <li>Morrisville               <ul style="list-style-type: none"> <li>Morrisville's enrollment in charter schools is based on the assumptions in the Enrollment chapter</li> <li>Morrisville continues to pay charter schools directly for all grade levels</li> </ul> </li> <li>Pennsbury               <ul style="list-style-type: none"> <li>Additional costs from the transfer of programs and operations from Morrisville are included in Pennsbury's tuition rate calculations</li> </ul> </li> </ul> |
| Vocational spending               | <ul style="list-style-type: none"> <li>Tuition payments to Bucks County Technical High School and related debt service payments are assumed by Pennsbury with no adjustment</li> <li>Vocational supplies are increased on a per student basis for the 6-12 students from Morrisville</li> </ul>   | <ul style="list-style-type: none"> <li>Morrisville               <ul style="list-style-type: none"> <li>Morrisville continues to pay Bucks County Technical High School tuition directly</li> <li>Vocational supplies are eliminated with the transfer of 6-12 students</li> </ul> </li> <li>Pennsbury               <ul style="list-style-type: none"> <li>Vocational supplies are aligned with the merger scenario for 6-12 students</li> </ul> </li> </ul>   |
| Special education services        | <ul style="list-style-type: none"> <li>All tuition paid to other Local Educational Agencies, other providers, and the intermediate unit are transferred to Pennsbury</li> </ul>   | <ul style="list-style-type: none"> <li>No changes</li> </ul>  |
| Classroom supplies and technology | <ul style="list-style-type: none"> <li>Pennsbury's general and special education supplies spending is increased on a per student basis for all K-12 students from Morrisville</li> <li>Pennsbury's technology replacement plan is increased on a per student basis for all K-12 students from Morrisville</li> </ul>  | <ul style="list-style-type: none"> <li>Morrisville:               <ul style="list-style-type: none"> <li>Costs are reduced based on the number of students educated in Pennsbury</li> </ul> </li> <li>Pennsbury:               <ul style="list-style-type: none"> <li>Costs are increased based on the number of students educated in Pennsbury</li> </ul> </li> </ul>  |
| Central office contracts          | <ul style="list-style-type: none"> <li>\$300,000 is added in 2024-25 to account for increases in technology contracts, auditing services, professional development training, and other central office needs</li> </ul>  | <ul style="list-style-type: none"> <li>No changes</li> </ul>  |



| Merger                               |   | Tuition Agreement  |
|--------------------------------------|---|--|
|                                      | <ul style="list-style-type: none"> <li>Costs are increased annually by the model inflationary assumptions</li> </ul>  |  |
| Facilities                           | <ul style="list-style-type: none"> <li>Utilities               <ul style="list-style-type: none"> <li>100 percent of Morrisville's utilities are transferred in 2024-25</li> <li>Costs are reduced to 10 percent in 2027-28 after the sale of the closed building</li> </ul> </li> <li>Contracted services               <ul style="list-style-type: none"> <li>50 percent of Morrisville's facilities contracted services costs are transferred to Pennsbury in 2024-25</li> </ul> </li> <li>Supplies               <ul style="list-style-type: none"> <li>100 percent of Morrisville's supplies costs are transferred in 2024-25</li> <li>Costs are reduced to 10 percent in 2027-28 after the sale of the closed building</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>Morrisville (Tuition Grades 3 to 12)               <ul style="list-style-type: none"> <li>Utilities: costs are reduced to 10 percent in 2027-28 assuming that the sale of the Middle / Senior High School takes place in the third year of the merger</li> <li>Contracted services: assumes 50 percent savings beginning in 2024-25 with the closure of the Middle / Senior High School</li> <li>Supplies: Costs are reduced to 10 percent beginning in 2024-25 with the closure of the Middle / Senior High School</li> </ul> </li> <li>Morrisville (Middle and High only)               <ul style="list-style-type: none"> <li>Utilities: costs are reduced to 90 percent in 2027-28 assuming that the sale of Grandview takes place in the third year of the merger</li> <li>Contracted services: Costs are reduced to 75 percent beginning in 2024-25 with the closure of Grandview</li> <li>Supplies: Costs are reduced to 90 percent savings beginning in 2024-25 with the closure of Grandview</li> </ul> </li> <li>Pennsbury: no changes</li> </ul> |
| Activities (3200 and 3300 functions) | <ul style="list-style-type: none"> <li>Pennsbury's costs are calculated on a per student basis for grades 6-12</li> <li>Costs are increased based on Morrisville's 6-12 enrollment, and reduced by a factor of 25 percent to reflect fixed costs</li> <li>Most activities spending is for salaries and benefits, and the reduction factor assumes that Pennsbury will not open a significant number of additional squads for sports or new clubs</li> </ul>   | <ul style="list-style-type: none"> <li>Morrisville: all costs are removed</li> <li>Pennsbury: Cost assumptions are aligned with the merger scenario</li> </ul>   |
| Debt service                         | <ul style="list-style-type: none"> <li>Morrisville's baseline debt service is assumed by Pennsbury</li> <li>Costs include the \$1.5 million borrowing for the roof project and renovations at Grandview Elementary School</li> <li>Costs are not incurred for the Middle / Senior High School since the building will be closed</li> </ul>  | <ul style="list-style-type: none"> <li>Morrisville:               <ul style="list-style-type: none"> <li>Tuition Grades 3 to 12: assumes the \$1.5 million borrowing to replace the roof at Grandview and potentially reconfigure or expand the building</li> <li>Tuition Grades 6 to 12: assumes Morrisville still borrows \$6 million to replace the roof and reconfigure the Middle / Senior High School</li> </ul> </li> <li>Pennsbury: no changes</li> </ul>  |
| Morrisville's negative fund balance  | <ul style="list-style-type: none"> <li>Should be addressed prior to merger as described in the report</li> </ul>  | <ul style="list-style-type: none"> <li>Morrisville: slow reduction in negative fund balance as surpluses accumulate</li> </ul>   |



---

## Appendix E: Baseline Model Financial Projections

Included in the follow pages.

# Pennsbury School District Baseline Scenario



|  | 2022-23<br>Budget | 2023-24<br>Projected | 2024-25<br>Projected | 2025-26<br>Projected | 2026-27<br>Projected | 2027-28<br>Projected | 2028-29<br>Projected | 2029-30<br>Projected | 2030-31<br>Projected | 2031-32<br>Projected | 2032-33<br>Projected | CAGR<br>22-23 to 32-33 |
|--|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
|--|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|

### SUMMARY

#### REVENUES

|   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |               |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------|
| Current and Interim Real Estate Taxes   | 157,533,686        | 163,341,042        | 169,355,780        | 175,585,303        | 182,037,283        | 188,719,663        | 195,640,670        | 202,808,827        | 209,395,120        | 216,190,065        | 223,200,275        | 3.5%          |
| Real Estate Transfer Taxes              | 3,237,276          | 3,256,700          | 3,276,240          | 3,295,897          | 3,315,673          | 3,335,567          | 3,355,580          | 3,375,714          | 3,395,968          | 3,416,344          | 3,436,842          | 0.6%          |
| Delinquent Real Estate Taxes            | 2,951,058          | 2,610,078          | 2,710,016          | 2,813,447          | 2,920,494          | 3,031,284          | 3,145,950          | 3,264,628          | 3,374,089          | 3,486,951          | 3,603,318          | 2.0%          |
| Tuition from Morrisville                | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | —             |
| Other Local Revenue                     | 6,307,414          | 6,339,879          | 6,373,252          | 6,407,560          | 6,442,829          | 6,479,085          | 6,516,357          | 6,554,672          | 6,588,433          | 6,623,004          | 6,658,405          | 0.5%          |
| <b>Local Sources</b>                    | <b>170,029,434</b> | <b>175,547,699</b> | <b>181,715,288</b> | <b>188,102,208</b> | <b>194,716,279</b> | <b>201,565,599</b> | <b>208,658,557</b> | <b>216,003,840</b> | <b>222,753,610</b> | <b>229,716,364</b> | <b>236,898,840</b> | <b>3.4%</b>   |
| Basic Education Funding                 | 18,073,634         | 18,791,383         | 19,224,475         | 19,657,566         | 20,090,658         | 20,523,749         | 20,956,841         | 21,389,933         | 21,823,024         | 22,256,116         | 22,689,207         | 2.3%          |
| Special Education Funding               | 5,809,103          | 6,410,578          | 6,562,982          | 6,715,386          | 6,867,790          | 7,020,195          | 7,172,599          | 7,325,003          | 7,477,407          | 7,629,811          | 7,782,216          | 3.0%          |
| State Reimbursements                    | 23,075,004         | 24,020,348         | 24,858,534         | 25,801,009         | 26,680,749         | 27,484,907         | 28,351,623         | 29,252,215         | 30,181,397         | 31,140,079         | 32,129,199         | 3.4%          |
| Supplemental Ready to Learn Block Grant | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | —             |
| Other State Revenue                     | 10,820,962         | 10,807,652         | 9,743,557          | 9,753,181          | 9,649,498          | 9,649,399          | 9,649,467          | 9,649,038          | 9,355,719          | 9,368,246          | 9,265,548          | (1.5%)        |
| <b>State Sources</b>                    | <b>57,778,703</b>  | <b>60,029,961</b>  | <b>60,389,548</b>  | <b>61,927,143</b>  | <b>63,288,695</b>  | <b>64,678,250</b>  | <b>66,130,529</b>  | <b>67,616,188</b>  | <b>68,837,547</b>  | <b>70,394,252</b>  | <b>71,866,170</b>  | <b>2.2%</b>   |
| <b>Federal Sources</b>                  | <b>5,036,960</b>   | <b>2,328,860</b>   | <b>2,375,437</b>   | <b>2,422,946</b>   | <b>2,471,405</b>   | <b>2,520,833</b>   | <b>2,571,250</b>   | <b>2,622,675</b>   | <b>2,675,128</b>   | <b>2,728,631</b>   | <b>2,783,203</b>   | <b>(5.8%)</b> |
| <b>Other Funding Sources</b>            | <b>0</b>           | <b>—</b>      |
| <b>Total Revenues</b>                   | <b>232,845,097</b> | <b>237,906,520</b> | <b>244,480,273</b> | <b>252,452,297</b> | <b>260,476,379</b> | <b>268,764,682</b> | <b>277,360,336</b> | <b>286,242,703</b> | <b>294,266,285</b> | <b>302,839,246</b> | <b>311,548,213</b> | <b>3.0%</b>   |
| Check                                   | TRUE               |               |

#### EXPENDITURES

|                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |             |
|---------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------|
| Salaries                  | 107,430,139        | 110,336,577        | 113,323,880        | 116,394,345        | 119,550,339        | 122,794,297        | 126,128,722        | 129,556,192        | 133,079,358        | 136,700,948        | 140,423,771        | 2.7%        |
| Benefits                  | 63,866,060         | 66,446,917         | 68,841,855         | 71,472,907         | 73,999,859         | 76,406,551         | 78,956,076         | 81,604,974         | 84,343,972         | 87,176,184         | 90,104,834         | 3.5%        |
| Charter School Tuition    | 6,875,078          | 7,107,670          | 7,122,181          | 7,110,112          | 7,096,378          | 7,059,586          | 7,262,875          | 7,474,007          | 7,691,851          | 7,916,176          | 8,147,259          | 1.7%        |
| Debt Service              | 15,857,474         | 17,082,977         | 17,389,255         | 18,451,602         | 18,933,465         | 20,248,239         | 21,639,951         | 22,409,347         | 22,163,976         | 22,166,936         | 22,175,098         | 3.4%        |
| Other Expenditures        | 40,053,626         | 37,538,991         | 38,924,908         | 40,486,208         | 41,729,980         | 42,954,525         | 43,914,554         | 44,895,986         | 45,899,353         | 46,928,362         | 47,978,620         | 1.8%        |
| <b>Total Expenditures</b> | <b>234,082,377</b> | <b>238,513,132</b> | <b>245,602,079</b> | <b>253,915,174</b> | <b>261,310,022</b> | <b>269,463,198</b> | <b>277,902,179</b> | <b>285,940,505</b> | <b>293,178,510</b> | <b>300,888,606</b> | <b>308,829,581</b> | <b>2.8%</b> |
| Check                     | TRUE               |             |

|                         |                    |                  |                    |                    |                  |                  |                  |                |                  |                  |                  |          |
|-------------------------|--------------------|------------------|--------------------|--------------------|------------------|------------------|------------------|----------------|------------------|------------------|------------------|----------|
| <b>Operating Result</b> | <b>(1,237,280)</b> | <b>(606,613)</b> | <b>(1,121,806)</b> | <b>(1,462,878)</b> | <b>(833,643)</b> | <b>(698,517)</b> | <b>(541,842)</b> | <b>302,198</b> | <b>1,087,775</b> | <b>1,950,640</b> | <b>2,718,632</b> | <b>—</b> |
|-------------------------|--------------------|------------------|--------------------|--------------------|------------------|------------------|------------------|----------------|------------------|------------------|------------------|----------|

|                            |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |             |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|
| <b>Ending Fund Balance</b> | <b>17,333,821</b> | <b>16,727,208</b> | <b>15,605,402</b> | <b>14,142,525</b> | <b>13,308,882</b> | <b>12,610,365</b> | <b>12,068,522</b> | <b>12,370,721</b> | <b>13,458,496</b> | <b>15,409,136</b> | <b>18,127,769</b> | <b>0.4%</b> |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|

|                                       |        |        |        |        |        |        |        |      |      |      |      |  |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|------|------|------|------|--|
| Operating Result as % of Expenditures | (0.5%) | (0.3%) | (0.5%) | (0.6%) | (0.3%) | (0.3%) | (0.2%) | 0.1% | 0.4% | 0.6% | 0.9% |  |
| Fund Balance as % of Expenditures     | 7.4%   | 7.0%   | 6.4%   | 5.6%   | 5.1%   | 4.7%   | 4.3%   | 4.3% | 4.6% | 5.1% | 5.9% |  |

#### REVENUES

##### Local Sources

|                                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |             |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------|
| 6111 Real Estate Taxes            | 157,533,686        | 163,341,042        | 169,355,780        | 175,585,303        | 182,037,283        | 188,719,663        | 195,640,670        | 202,808,827        | 209,395,120        | 216,190,065        | 223,200,275        | 3.5%        |
| 6114 PILOTs                       | 1,159,451          | 1,191,916          | 1,225,289          | 1,259,597          | 1,294,866          | 1,331,122          | 1,368,394          | 1,406,709          | 1,440,470          | 1,475,041          | 1,510,442          | 2.7%        |
| 6153 Real Estate Transfer Taxes   | 3,237,276          | 3,256,700          | 3,276,240          | 3,295,897          | 3,315,673          | 3,335,567          | 3,355,580          | 3,375,714          | 3,395,968          | 3,416,344          | 3,436,842          | 0.6%        |
| 6411 Delinquent Real Estate Taxes | 2,951,058          | 2,610,078          | 2,710,016          | 2,813,447          | 2,920,494          | 3,031,284          | 3,145,950          | 3,264,628          | 3,374,089          | 3,486,951          | 3,603,318          | 2.0%        |
| 6500 Earnings on Investments      | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 0.0%        |
| 6830 Federal Pass Through         | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 0.0%        |
| 6910 Rentals                      | 350,000            | 350,000            | 350,000            | 350,000            | 350,000            | 350,000            | 350,000            | 350,000            | 350,000            | 350,000            | 350,000            | 0.0%        |
| 6920 Local Contributions          | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 0.0%        |
| 6940-A Tuition from Other LEA's   | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | —           |
| 6940-B Tuition from Morrisville   | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | —           |
| 6XXX Other Local Revenues         | 573,341            | 573,341            | 573,341            | 573,341            | 573,341            | 573,341            | 573,341            | 573,341            | 573,341            | 573,341            | 573,341            | 0.0%        |
| <b>Local Sources Subtotal</b>     | <b>170,029,434</b> | <b>175,547,699</b> | <b>181,715,288</b> | <b>188,102,208</b> | <b>194,716,279</b> | <b>201,565,599</b> | <b>208,658,557</b> | <b>216,003,840</b> | <b>222,753,610</b> | <b>229,716,364</b> | <b>236,898,840</b> | <b>3.4%</b> |

|                                 | 2022-23<br>Budget                        | 2023-24<br>Projected | 2024-25<br>Projected | 2025-26<br>Projected | 2026-27<br>Projected | 2027-28<br>Projected | 2028-29<br>Projected | 2029-30<br>Projected | 2030-31<br>Projected | 2031-32<br>Projected | 2032-33<br>Projected | CAGR<br>22-23 to 32-33 |               |
|---------------------------------|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|---------------|
| <b>State Sources</b>            |  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                        |               |
| 7111                            | Basic Education Funding                  | 18,073,634           | 18,791,383           | 19,224,475           | 19,657,566           | 20,090,658           | 20,523,749           | 20,956,841           | 21,389,933           | 21,823,024           | 22,256,116           | 22,689,207             | 2.3%          |
| 7160                            | Tuition from Private Homes               | 100,000              | 100,000              | 100,000              | 100,000              | 100,000              | 100,000              | 100,000              | 100,000              | 100,000              | 100,000              | 100,000                | 0.0%          |
| 7271                            | Special Education Funding                | 5,809,103            | 6,410,578            | 6,562,982            | 6,715,386            | 6,867,790            | 7,020,195            | 7,172,599            | 7,325,003            | 7,477,407            | 7,629,811            | 7,782,216              | 3.0%          |
| 7292                            | Pre-K Counts                             | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 787,500                | 0.0%          |
| 7310                            | Transportation Subsidy                   | 1,653,902            | 1,653,902            | 1,653,902            | 1,653,902            | 1,653,902            | 1,653,902            | 1,653,902            | 1,653,902            | 1,653,902            | 1,653,902            | 1,653,902              | 0.0%          |
| 7320                            | PlanCon                                  | 1,850,000            | 1,836,690            | 772,595              | 782,219              | 678,536              | 678,437              | 678,505              | 678,076              | 384,757              | 397,284              | 294,586                | (16.8%)       |
| 7340                            | Property Tax Reduction                   | 5,240,827            | 5,240,827            | 5,240,827            | 5,240,827            | 5,240,827            | 5,240,827            | 5,240,827            | 5,240,827            | 5,240,827            | 5,240,827            | 5,240,827              | 0.0%          |
| 7505                            | Ready to Learn Block Grant               | 783,733              | 783,733              | 783,733              | 783,733              | 783,733              | 783,733              | 783,733              | 783,733              | 783,733              | 783,733              | 783,733                | 0.0%          |
| 75XX                            | Supplemental Ready to Learn Block Grant  | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                      | —             |
| 7599                            | Other State Grants                       | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 205,000                | 0.0%          |
| 7810                            | State Social Security Reimbursement      | 4,113,814            | 4,239,860            | 4,354,652            | 4,472,640            | 4,593,914            | 4,718,568            | 4,846,699            | 4,978,405            | 5,113,788            | 5,252,954            | 5,396,009              | 2.8%          |
| 7820                            | State Retirement Reimbursement           | 18,961,190           | 19,780,488           | 20,503,882           | 21,328,369           | 22,086,835           | 22,766,338           | 23,504,924           | 24,273,810           | 25,067,609           | 25,887,125           | 26,733,190             | 3.5%          |
| 7000                            | Other State Revenue                      | 200,000              | 200,000              | 200,000              | 200,000              | 200,000              | 200,000              | 200,000              | 200,000              | 200,000              | 200,000              | 200,000                | 0.0%          |
| <b>State Sources Subtotal</b>   |  | <b>57,778,703</b>    | <b>60,029,961</b>    | <b>60,389,548</b>    | <b>61,927,143</b>    | <b>63,288,695</b>    | <b>64,678,250</b>    | <b>66,130,529</b>    | <b>67,616,188</b>    | <b>68,837,547</b>    | <b>70,394,252</b>    | <b>71,866,170</b>      | <b>2.2%</b>   |
| <b>Federal Sources</b>          |  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                        |               |
| 8514                            | Title I                                  | 904,235              | 922,320              | 940,766              | 959,581              | 978,773              | 998,349              | 1,018,315            | 1,038,682            | 1,059,455            | 1,080,645            | 1,102,257              | 2.0%          |
| 8515                            | Title II                                 | 200,787              | 204,803              | 208,899              | 213,077              | 217,338              | 221,685              | 226,119              | 230,641              | 235,254              | 239,959              | 244,758                | 2.0%          |
| 8516                            | Title III                                | 44,889               | 45,787               | 46,703               | 47,637               | 48,589               | 49,561               | 50,552               | 51,563               | 52,595               | 53,647               | 54,719                 | 2.0%          |
| 8517                            | Title IV                                 | 53,285               | 54,351               | 55,438               | 56,546               | 57,677               | 58,831               | 60,008               | 61,208               | 62,432               | 63,681               | 64,954                 | 2.0%          |
| 8740                            | Other CARES Act                          | 2,647,764            | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                      | (100.0%)      |
| 8741                            | ESSER I                                  | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                      | —             |
| 8743                            | ESSER II                                 | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                      | —             |
| 8744                            | ARP ESSER                                | 106,000              | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                      | (100.0%)      |
| 8750                            | ESSER Set-Asides                         | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                      | —             |
| 8800                            | Medicaid ACCESS                          | 1,040,000            | 1,060,800            | 1,082,016            | 1,103,656            | 1,125,729            | 1,148,244            | 1,171,209            | 1,194,633            | 1,218,526            | 1,242,896            | 1,267,754              | 2.0%          |
| 8XXX                            | Other Federal Revenue                    | 40,000               | 40,800               | 41,616               | 42,448               | 43,297               | 44,163               | 45,046               | 45,947               | 46,866               | 47,804               | 48,760                 | 2.0%          |
| <b>Federal Sources Subtotal</b> |  | <b>5,036,960</b>     | <b>2,328,860</b>     | <b>2,375,437</b>     | <b>2,422,946</b>     | <b>2,471,405</b>     | <b>2,520,833</b>     | <b>2,571,250</b>     | <b>2,622,675</b>     | <b>2,675,128</b>     | <b>2,728,631</b>     | <b>2,783,203</b>       | <b>(5.8%)</b> |
| <b>TOTAL REVENUES</b>           |  | <b>232,845,097</b>   | <b>237,906,520</b>   | <b>244,480,273</b>   | <b>252,452,297</b>   | <b>260,476,379</b>   | <b>268,764,682</b>   | <b>277,360,336</b>   | <b>286,242,703</b>   | <b>294,266,285</b>   | <b>302,839,246</b>   | <b>311,548,213</b>     | <b>3.0%</b>   |
| <b>EXPENDITURES</b>             |  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                        |               |
| 110                             | Administrators                           | 7,144,721            | 7,287,615            | 7,433,368            | 7,582,035            | 7,733,676            | 7,888,349            | 8,046,116            | 8,207,039            | 8,371,179            | 8,538,603            | 8,709,375              | 2.0%          |
| 122                             | Substitutes                              | 429,745              | 438,340              | 447,107              | 456,049              | 465,170              | 474,473              | 483,963              | 493,642              | 503,515              | 513,585              | 523,857                | 2.0%          |
| 123                             | Instructional Extra Duty Pay             | 2,075,102            | 2,137,355            | 2,201,476            | 2,267,520            | 2,335,546            | 2,405,612            | 2,477,780            | 2,552,114            | 2,628,677            | 2,707,537            | 2,788,764              | 3.0%          |
| 120                             | Teachers                                 | 73,708,459           | 75,919,713           | 78,197,304           | 80,543,223           | 82,959,520           | 85,448,306           | 88,011,755           | 90,652,107           | 93,371,671           | 96,172,821           | 99,058,005             | 3.0%          |
| 1XX                             | Insurance Opt Out and Leave Payments     | 278,181              | 283,745              | 289,420              | 295,208              | 301,112              | 307,134              | 313,277              | 319,543              | 325,933              | 332,452              | 339,101                | 2.0%          |
| 1X2                             | Temporary Operating Staff                | 426,912              | 435,450              | 444,159              | 453,042              | 462,103              | 471,345              | 480,772              | 490,388              | 500,195              | 510,199              | 520,403                | 2.0%          |
| 1X3                             | Overtime                                 | 553,515              | 564,585              | 575,877              | 587,395              | 599,142              | 611,125              | 623,348              | 635,815              | 648,531              | 661,502              | 674,732                | 2.0%          |
| 130                             | Professional                             | 232,777              | 237,433              | 242,181              | 247,025              | 251,965              | 257,005              | 262,145              | 267,388              | 272,735              | 278,190              | 283,754                | 2.0%          |
| 150                             | Clerical                                 | 5,162,149            | 5,265,392            | 5,370,700            | 5,478,114            | 5,587,676            | 5,699,430            | 5,813,418            | 5,929,687            | 6,048,280            | 6,169,246            | 6,292,631              | 2.0%          |
| 160                             | Maintenance, Printing, & Security        | 2,637,636            | 2,690,389            | 2,744,196            | 2,799,080            | 2,855,062            | 2,912,163            | 2,970,407            | 3,029,815            | 3,090,411            | 3,152,219            | 3,215,264              | 2.0%          |
| 170                             | Vehicle Services                         | 2,581,593            | 2,633,225            | 2,685,889            | 2,739,607            | 2,794,399            | 2,850,287            | 2,907,293            | 2,965,439            | 3,024,748            | 3,085,243            | 3,146,947              | 2.0%          |
| 180                             | Custodians, Warehouse, & Student Workers | 4,446,652            | 4,535,585            | 4,626,297            | 4,718,823            | 4,813,199            | 4,909,463            | 5,007,652            | 5,107,805            | 5,209,962            | 5,314,161            | 5,420,444              | 2.0%          |
| 190                             | Instructional Assistants                 | 7,752,697            | 7,907,751            | 8,065,906            | 8,227,224            | 8,391,769            | 8,559,604            | 8,730,796            | 8,905,412            | 9,083,520            | 9,265,191            | 9,450,494              | 2.0%          |
| <b>Salaries Subtotal</b>        |  | <b>107,430,139</b>   | <b>110,336,577</b>   | <b>113,323,880</b>   | <b>116,394,345</b>   | <b>119,550,339</b>   | <b>122,794,297</b>   | <b>126,128,722</b>   | <b>129,556,192</b>   | <b>133,079,358</b>   | <b>136,700,948</b>   | <b>140,423,771</b>     | <b>2.7%</b>   |

|                                     | 2022-23                        | 2023-24            | 2024-25            | 2025-26            | 2026-27            | 2027-28            | 2028-29            | 2029-30            | 2030-31            | 2031-32            | 2032-33            | CAGR               |             |
|-------------------------------------|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------|
|                                     | Budget                         | Projected          | 22-23 to 32-33     |             |
| <b>Benefits</b>                     |                                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |             |
| 230                                 | PSERS                          | 37,748,061         | 39,379,124         | 40,819,261         | 42,460,657         | 43,970,615         | 45,323,375         | 46,793,756         | 48,324,459         | 49,904,759         | 51,536,258         | 53,220,609         | 3.5%        |
| 210/270                             | Health Insurance               | 12,438,233         | 12,935,762         | 13,453,193         | 13,991,321         | 14,550,973         | 15,133,012         | 15,738,333         | 16,367,866         | 17,022,581         | 17,703,484         | 18,411,623         | 4.0%        |
| 220                                 | Social Security                | 8,189,814          | 8,440,748          | 8,669,277          | 8,904,167          | 9,145,601          | 9,393,764          | 9,648,847          | 9,911,049          | 10,180,571         | 10,457,623         | 10,742,418         | 2.8%        |
| 276                                 | Prescriptions                  | 3,102,086          | 3,226,169          | 3,355,216          | 3,489,425          | 3,629,002          | 3,774,162          | 3,925,128          | 4,082,134          | 4,245,419          | 4,415,236          | 4,591,845          | 4.0%        |
| 2XX                                 | Other Benefits                 | 952,738            | 986,084            | 1,020,597          | 1,056,318          | 1,088,007          | 1,120,647          | 1,146,422          | 1,172,790          | 1,199,764          | 1,227,359          | 1,255,588          | 2.8%        |
| 260                                 | Workers' Compensation          | 766,500            | 787,237            | 808,551            | 830,458            | 852,976            | 876,121            | 899,912            | 924,366            | 949,504            | 975,343            | 1,001,905          | 2.7%        |
| 212                                 | Dental Insurance               | 587,520            | 608,083            | 629,366            | 651,394            | 670,936            | 691,064            | 706,958            | 723,218            | 739,852            | 756,869            | 774,277            | 2.8%        |
| 215                                 | Vision Insurance               | 51,108             | 52,897             | 54,748             | 56,664             | 58,364             | 60,115             | 61,498             | 62,912             | 64,359             | 65,840             | 67,354             | 2.8%        |
| 250-A                               | Ongoing Unemployment           | 30,000             | 30,812             | 31,646             | 32,503             | 33,385             | 34,290             | 35,222             | 36,179             | 37,163             | 38,174             | 39,214             | 2.7%        |
| 250-B                               | One-Time Unemployment          | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | —           |
| <b>Benefits Subtotal</b>            |                                | <b>63,866,060</b>  | <b>66,446,917</b>  | <b>68,841,855</b>  | <b>71,472,907</b>  | <b>73,999,859</b>  | <b>76,406,551</b>  | <b>78,956,076</b>  | <b>81,604,974</b>  | <b>84,343,972</b>  | <b>87,176,184</b>  | <b>90,104,834</b>  | <b>3.5%</b> |
| <b>Personnel Costs Subtotal</b>     |                                | <b>171,296,199</b> | <b>176,783,494</b> | <b>182,165,735</b> | <b>187,867,252</b> | <b>193,550,198</b> | <b>199,200,848</b> | <b>205,084,798</b> | <b>211,161,165</b> | <b>217,423,330</b> | <b>223,877,133</b> | <b>230,528,605</b> | <b>3.0%</b> |
| <b>Tuition</b>                      |                                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |             |
| 560                                 | Other Tuition (Nonpublic, PRR) | 4,358,503          | 4,511,051          | 4,668,937          | 4,832,350          | 4,977,321          | 5,126,640          | 5,244,553          | 5,365,178          | 5,488,577          | 5,614,814          | 5,743,955          | 2.8%        |
| 561                                 | Tuition to Other LEA's         | 639,908            | 662,305            | 685,485            | 709,477            | 730,762            | 752,685            | 769,996            | 787,706            | 805,824            | 824,357            | 843,318            | 2.8%        |
| 562                                 | Charter School Tuition         | 6,875,078          | 7,107,670          | 7,122,181          | 7,110,112          | 7,096,378          | 7,059,586          | 7,262,875          | 7,474,007          | 7,691,851          | 7,916,176          | 8,147,259          | 1.7%        |
| 564                                 | Tuition to BCTHS               | 5,413,249          | 5,921,106          | 6,182,846          | 6,380,995          | 6,556,320          | 6,736,383          | 6,879,542          | 7,025,379          | 7,173,970          | 7,328,572          | 7,484,343          | 3.3%        |
| <b>Tuition Subtotal</b>             |                                | <b>17,286,738</b>  | <b>18,202,132</b>  | <b>18,659,450</b>  | <b>19,032,934</b>  | <b>19,360,781</b>  | <b>19,675,294</b>  | <b>20,156,966</b>  | <b>20,652,269</b>  | <b>21,160,221</b>  | <b>21,683,919</b>  | <b>22,218,875</b>  | <b>2.5%</b> |
| <b>Non-Personnel Costs</b>          |                                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |             |
| 322                                 | IU Services                    | 4,066,440          | 3,523,085          | 3,646,393          | 3,774,017          | 3,887,237          | 4,003,855          | 4,095,943          | 4,190,150          | 4,286,523          | 4,385,113          | 4,485,971          | 1.0%        |
| 3XX                                 | Professional Services          | 5,218,671          | 5,401,324          | 5,590,371          | 5,786,034          | 5,959,615          | 6,138,403          | 6,279,587          | 6,424,017          | 6,571,769          | 6,722,920          | 6,877,547          | 2.8%        |
| 430                                 | Repairs and Maintenance        | 1,591,409          | 1,647,108          | 1,704,757          | 1,764,424          | 1,817,356          | 1,871,877          | 1,914,930          | 1,958,974          | 2,004,030          | 2,050,123          | 2,097,275          | 2.8%        |
| 440                                 | Rentals                        | 1,408,592          | 1,457,893          | 1,508,919          | 1,561,731          | 1,608,583          | 1,656,841          | 1,694,948          | 1,733,932          | 1,773,812          | 1,814,610          | 1,856,346          | 2.8%        |
| 4XX                                 | Property Services              | 66,120             | 68,434             | 70,829             | 73,308             | 75,508             | 77,773             | 79,562             | 81,392             | 83,264             | 85,179             | 87,138             | 2.8%        |
| 510                                 | Misc. Transportation           | 119,765            | 123,957            | 128,295            | 132,786            | 136,769            | 140,872            | 144,112            | 147,427            | 150,818            | 154,287            | 157,835            | 2.8%        |
| 516                                 | IU Transportation              | 1,967,542          | 2,036,406          | 2,107,680          | 2,181,449          | 2,246,892          | 2,314,299          | 2,367,528          | 2,421,981          | 2,477,687          | 2,534,674          | 2,592,971          | 2.8%        |
| 520                                 | General Insurance              | 725,370            | 750,758            | 777,034            | 804,231            | 828,358            | 853,208            | 872,832            | 892,907            | 913,444            | 934,453            | 955,946            | 2.8%        |
| 530                                 | Communications                 | 96,000             | 99,360             | 102,838            | 106,437            | 109,630            | 112,919            | 115,516            | 118,173            | 120,891            | 123,671            | 126,516            | 2.8%        |
| 5XX                                 | Other Purchased Services       | 374,998            | 388,123            | 401,707            | 415,767            | 428,240            | 441,087            | 451,232            | 461,611            | 472,228            | 483,089            | 494,200            | 2.8%        |
| 610                                 | Supplies                       | 3,835,925          | 2,546,072          | 2,636,218          | 2,729,555          | 2,812,543          | 2,898,053          | 2,964,708          | 3,032,897          | 3,102,653          | 3,174,014          | 3,247,017          | (1.7%)      |
| 620-B                               | Building Utilities             | 1,550,558          | 1,604,828          | 1,660,996          | 1,719,131          | 1,770,705          | 1,823,826          | 1,865,774          | 1,908,687          | 1,952,587          | 1,997,497          | 2,043,439          | 2.8%        |
| 620-V                               | Vehicle Fuel                   | 886,942            | 917,985            | 950,114            | 983,368            | 1,012,870          | 1,043,256          | 1,067,250          | 1,091,797          | 1,116,909          | 1,142,597          | 1,168,877          | 2.8%        |
| 630                                 | Food                           | 26,670             | 27,603             | 28,570             | 29,570             | 30,457             | 31,370             | 32,092             | 32,830             | 33,585             | 34,357             | 35,148             | 2.8%        |
| 640                                 | Books                          | 1,211,459          | 1,253,860          | 1,297,745          | 1,343,166          | 1,383,461          | 1,424,965          | 1,457,739          | 1,491,267          | 1,525,566          | 1,560,654          | 1,596,549          | 2.8%        |
| 648/650                             | Technology Supplies            | 1,695,657          | 1,757,670          | 1,822,047          | 1,888,777          | 1,948,488          | 2,010,082          | 2,056,313          | 2,103,609          | 2,151,992          | 2,201,487          | 2,252,122          | 2.9%        |
| 700                                 | Property                       | 2,874,878          | 3,045,499          | 3,184,392          | 3,527,097          | 3,689,504          | 3,800,190          | 3,887,594          | 3,977,009          | 4,068,480          | 4,162,055          | 4,257,782          | 4.0%        |
| <b>Non-Personnel Costs Subtotal</b> |                                | <b>27,716,996</b>  | <b>26,649,965</b>  | <b>27,618,907</b>  | <b>28,820,847</b>  | <b>29,746,216</b>  | <b>30,642,876</b>  | <b>31,347,662</b>  | <b>32,068,658</b>  | <b>32,806,237</b>  | <b>33,560,781</b>  | <b>34,332,679</b>  | <b>2.2%</b> |
| <b>Other Expenditures</b>           |                                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |             |
| 800/900                             | Debt Service                   | 15,857,474         | 17,082,977         | 17,389,255         | 18,451,602         | 18,933,465         | 20,248,239         | 21,639,951         | 22,409,347         | 22,163,976         | 22,166,936         | 22,175,098         | 3.4%        |
| 810                                 | Dues and Fees                  | 99,460             | 99,460             | 99,460             | 99,460             | 99,460             | 99,460             | 99,460             | 99,460             | 99,460             | 99,460             | 99,460             | 0.0%        |
| 840                                 | Budgetary Reserve              | 400,000            | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | (100.0%)    |
| 899                                 | Pass Through Funds             | 272,000            | 272,000            | 272,000            | 272,000            | 272,000            | 272,000            | 272,000            | 272,000            | 272,000            | 272,000            | 272,000            | 0.0%        |
| 8XX                                 | Other Objects                  | 53,510             | 53,510             | 53,510             | 53,510             | 53,510             | 53,510             | 53,510             | 53,510             | 53,510             | 53,510             | 53,510             | 0.0%        |
| 939                                 | Fund Transfers                 | 1,100,000          | 250,000            | 250,000            | 250,000            | 250,000            | 250,000            | 250,000            | 250,000            | 250,000            | 250,000            | 250,000            | (13.8%)     |
| SPEC                                | 2% Savings                     | 0                  | (880,406)          | (906,238)          | (932,432)          | (955,609)          | (979,028)          | (1,002,169)        | (1,025,905)        | (1,050,224)        | (1,075,132)        | (1,100,645)        | —           |
| <b>Other Expenditures Subtotal</b>  |                                | <b>17,782,444</b>  | <b>16,877,541</b>  | <b>17,157,987</b>  | <b>18,194,140</b>  | <b>18,652,826</b>  | <b>19,944,181</b>  | <b>21,312,752</b>  | <b>22,058,412</b>  | <b>21,788,722</b>  | <b>21,766,774</b>  | <b>21,749,423</b>  | <b>2.0%</b> |
| <b>TOTAL EXPENDITURES</b>           |                                | <b>234,082,377</b> | <b>238,513,132</b> | <b>245,602,079</b> | <b>253,915,174</b> | <b>261,310,022</b> | <b>269,463,198</b> | <b>277,902,179</b> | <b>285,940,505</b> | <b>293,178,510</b> | <b>300,888,606</b> | <b>308,829,581</b> | <b>2.8%</b> |
| <b>Operating Result</b>             |                                | <b>(1,237,280)</b> | <b>(606,613)</b>   | <b>(1,121,806)</b> | <b>(1,462,878)</b> | <b>(833,643)</b>   | <b>(698,517)</b>   | <b>(541,842)</b>   | <b>302,198</b>     | <b>1,087,775</b>   | <b>1,950,640</b>   | <b>2,718,632</b>   | <b>—</b>    |
| <b>Ending Fund Balance</b>          |                                | <b>15,251,003</b>  | <b>14,644,390</b>  | <b>13,522,584</b>  | <b>12,059,707</b>  | <b>11,226,064</b>  | <b>10,527,547</b>  | <b>9,985,704</b>   | <b>10,287,903</b>  | <b>11,375,678</b>  | <b>13,326,318</b>  | <b>16,044,951</b>  | <b>0.5%</b> |

# Morrisville School District Baseline Scenario



|  | 2022-23<br>Budget | 2023-24<br>Projected | 2024-25<br>Projected | 2025-26<br>Projected | 2026-27<br>Projected | 2027-28<br>Projected | 2028-29<br>Projected | 2029-30<br>Projected | 2030-31<br>Projected | 2031-32<br>Projected | 2032-33<br>Projected | CAGR<br>22-23 to 32-33 |
|--|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
|--|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|

**SUMMARY**

**REVENUES**

|   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |             |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|
| Current and Interim Real Estate Taxes   | 13,798,916        | 14,483,258        | 15,200,415        | 15,951,960        | 16,739,542        | 17,289,768        | 17,857,584        | 18,443,550        | 19,048,248        | 19,672,277        | 20,316,254        | 3.9%        |
| Real Estate Transfer Taxes              | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 0.0%        |
| Delinquent Real Estate Taxes            | 450,000           | 223,644           | 234,718           | 246,324           | 258,486           | 266,983           | 275,751           | 284,800           | 294,138           | 303,774           | 313,718           | (3.5%)      |
| Other Local Revenue                     | 374,000           | 374,000           | 374,000           | 374,000           | 374,000           | 374,000           | 374,000           | 374,000           | 374,000           | 374,000           | 374,000           | 0.0%        |
| <b>Local Sources</b>                    | <b>14,772,916</b> | <b>15,230,902</b> | <b>15,959,133</b> | <b>16,722,284</b> | <b>17,522,028</b> | <b>18,080,751</b> | <b>18,657,335</b> | <b>19,252,350</b> | <b>19,866,386</b> | <b>20,500,051</b> | <b>21,153,972</b> | <b>3.7%</b> |
| Basic Education Funding                 | 3,260,791         | 3,403,284         | 3,446,845         | 3,490,405         | 3,533,966         | 3,577,527         | 3,621,087         | 3,664,648         | 3,708,208         | 3,751,769         | 3,795,329         | 1.5%        |
| Special Education Funding               | 952,492           | 932,003           | 961,263           | 990,523           | 1,019,783         | 1,049,043         | 1,078,303         | 1,107,564         | 1,136,824         | 1,166,084         | 1,195,344         | 2.3%        |
| State Reimbursements                    | 1,910,244         | 1,994,413         | 2,057,874         | 2,124,819         | 2,192,063         | 2,259,386         | 2,329,519         | 2,401,954         | 2,476,638         | 2,553,641         | 2,633,036         | 3.3%        |
| Supplemental Ready to Learn Block Grant | 0                 | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 4,911.9%    |
| Other State Revenue                     | 716,005           | 691,005           | 691,005           | 691,005           | 691,005           | 691,005           | 691,005           | 691,005           | 691,005           | 691,005           | 691,005           | (0.4%)      |
| <b>State Sources</b>                    | <b>6,839,532</b>  | <b>8,020,705</b>  | <b>8,156,987</b>  | <b>8,296,752</b>  | <b>8,436,817</b>  | <b>8,576,961</b>  | <b>8,719,915</b>  | <b>8,865,170</b>  | <b>9,012,675</b>  | <b>9,162,499</b>  | <b>9,314,714</b>  | <b>3.1%</b> |
| <b>Federal Sources</b>                  | <b>1,533,253</b>  | <b>1,449,678</b>  | <b>1,478,672</b>  | <b>1,508,245</b>  | <b>1,538,410</b>  | <b>1,569,178</b>  | <b>1,600,562</b>  | <b>1,632,573</b>  | <b>1,665,224</b>  | <b>1,698,529</b>  | <b>1,732,499</b>  | <b>1.2%</b> |
| <b>Other Funding Sources</b>            | <b>0</b>          | <b>—</b>    |
| <b>Total Revenues</b>                   | <b>23,145,701</b> | <b>24,701,285</b> | <b>25,594,791</b> | <b>26,527,281</b> | <b>27,497,255</b> | <b>28,226,890</b> | <b>28,977,811</b> | <b>29,750,093</b> | <b>30,544,285</b> | <b>31,361,079</b> | <b>32,201,186</b> | <b>3.4%</b> |
| Check                                   | TRUE              |             |

**EXPENDITURES**

|                           |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |             |
|---------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|
| Salaries                  | 9,459,949         | 9,743,747         | 10,036,060        | 10,337,142        | 10,647,256        | 10,966,674        | 11,295,674        | 11,634,544        | 11,983,580        | 12,343,088        | 12,713,380        | 3.0%        |
| Benefits                  | 5,492,335         | 5,978,018         | 6,207,055         | 6,458,058         | 6,701,402         | 6,935,068         | 7,183,286         | 7,441,513         | 7,708,969         | 7,985,986         | 8,272,903         | 4.2%        |
| Tuition to Pennsbury      | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | —           |
| IU Services               | 2,363,251         | 2,445,965         | 2,531,574         | 2,620,179         | 2,698,784         | 2,779,748         | 2,843,682         | 2,909,086         | 2,975,995         | 3,044,443         | 3,114,465         | 2.8%        |
| Charter School Tuition    | 904,000           | 1,308,471         | 1,388,723         | 1,376,422         | 1,353,869         | 1,325,591         | 1,293,153         | 1,256,431         | 1,216,703         | 1,173,862         | 1,127,777         | 2.2%        |
| Debt Service              | 839,476           | 896,288           | 1,243,937         | 1,243,693         | 1,244,839         | 1,244,395         | 1,243,518         | 1,244,023         | 1,242,956         | 1,243,388         | 1,243,218         | 4.0%        |
| Other Expenditures        | 3,938,847         | 4,262,341         | 4,415,877         | 4,570,033         | 4,707,139         | 4,848,390         | 4,960,590         | 5,075,384         | 5,192,834         | 5,313,215         | 5,436,265         | 3.3%        |
| <b>Total Expenditures</b> | <b>22,997,858</b> | <b>24,634,830</b> | <b>25,823,226</b> | <b>26,605,527</b> | <b>27,353,289</b> | <b>28,099,865</b> | <b>28,819,903</b> | <b>29,560,981</b> | <b>30,321,038</b> | <b>31,103,981</b> | <b>31,908,008</b> | <b>3.3%</b> |
| Check                     | TRUE              |             |

|                         |                |               |                  |                 |                |                |                |                |                |                |                |             |
|-------------------------|----------------|---------------|------------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------|
| <b>Operating Result</b> | <b>147,843</b> | <b>66,455</b> | <b>(228,435)</b> | <b>(78,245)</b> | <b>143,966</b> | <b>127,025</b> | <b>157,908</b> | <b>189,112</b> | <b>223,247</b> | <b>257,098</b> | <b>293,178</b> | <b>7.1%</b> |
|-------------------------|----------------|---------------|------------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------|

|                            |                    |                    |                    |                    |                    |                    |                    |                    |                  |                  |                  |                |
|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|------------------|------------------|----------------|
| <b>Ending Fund Balance</b> | <b>(1,458,741)</b> | <b>(1,392,286)</b> | <b>(1,620,721)</b> | <b>(1,698,967)</b> | <b>(1,555,000)</b> | <b>(1,427,975)</b> | <b>(1,270,067)</b> | <b>(1,080,955)</b> | <b>(857,708)</b> | <b>(600,611)</b> | <b>(307,432)</b> | <b>(14.4%)</b> |
|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|------------------|------------------|----------------|

|                                       |        |        |        |        |        |        |        |        |        |        |        |  |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--|
| Operating Result as % of Expenditures | 0.6%   | 0.3%   | (0.9%) | (0.3%) | 0.5%   | 0.5%   | 0.5%   | 0.6%   | 0.7%   | 0.8%   | 0.9%   |  |
| Fund Balance as % of Expenditures     | (6.3%) | (5.7%) | (6.3%) | (6.4%) | (5.7%) | (5.1%) | (4.4%) | (3.7%) | (2.8%) | (1.9%) | (1.0%) |  |

**REVENUES**

**Local Sources**

|                                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |             |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|
| 6111 Real Estate Taxes            | 13,798,916        | 14,483,258        | 15,200,415        | 15,951,960        | 16,739,542        | 17,289,768        | 17,857,584        | 18,443,550        | 19,048,248        | 19,672,277        | 20,316,254        | 3.9%        |
| 6153 Real Estate Transfer Taxes   | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 0.0%        |
| 6411 Delinquent Real Estate Taxes | 450,000           | 223,644           | 234,718           | 246,324           | 258,486           | 266,983           | 275,751           | 284,800           | 294,138           | 303,774           | 313,718           | (3.5%)      |
| 6500 Earnings on Investments      | 80,000            | 80,000            | 80,000            | 80,000            | 80,000            | 80,000            | 80,000            | 80,000            | 80,000            | 80,000            | 80,000            | 0.0%        |
| 6830 Federal Pass Through         | 228,000           | 228,000           | 228,000           | 228,000           | 228,000           | 228,000           | 228,000           | 228,000           | 228,000           | 228,000           | 228,000           | 0.0%        |
| 6910 Rentals                      | 10,000            | 10,000            | 10,000            | 10,000            | 10,000            | 10,000            | 10,000            | 10,000            | 10,000            | 10,000            | 10,000            | 0.0%        |
| 6940 Tuition                      | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | —           |
| 6XXX Other Local Revenues         | 56,000            | 56,000            | 56,000            | 56,000            | 56,000            | 56,000            | 56,000            | 56,000            | 56,000            | 56,000            | 56,000            | 0.0%        |
| <b>Local Sources Subtotal</b>     | <b>14,772,916</b> | <b>15,230,902</b> | <b>15,959,133</b> | <b>16,722,284</b> | <b>17,522,028</b> | <b>18,080,751</b> | <b>18,657,335</b> | <b>19,252,350</b> | <b>19,866,386</b> | <b>20,500,051</b> | <b>21,153,972</b> | <b>3.7%</b> |

|                                 | 2022-23                                 | 2023-24           | 2024-25           | 2025-26           | 2026-27           | 2027-28           | 2028-29           | 2029-30           | 2030-31           | 2031-32           | 2032-33           | CAGR              |             |
|---------------------------------|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|
|                                 | Budget                                  | Projected         | 22-23 to 32-33    |             |
| <b>State Sources</b>            |   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |             |
| 7110                            | Basic Education Funding                 | 3,260,791         | 3,403,284         | 3,446,845         | 3,490,405         | 3,533,966         | 3,577,527         | 3,621,087         | 3,664,648         | 3,708,208         | 3,751,769         | 3,795,329         | 1.5%        |
| 7112                            | Social Security Reimbursement           | 343,776           | 380,951           | 396,008           | 413,097           | 428,989           | 443,420           | 459,074           | 475,395           | 492,283           | 509,755           | 527,833           | 4.4%        |
| 7160                            | Tuition from Private Homes              | 15,000            | 15,000            | 15,000            | 15,000            | 15,000            | 15,000            | 15,000            | 15,000            | 15,000            | 15,000            | 15,000            | 0.0%        |
| 7270                            | Special Education Funding               | 952,492           | 932,003           | 961,263           | 990,523           | 1,019,783         | 1,049,043         | 1,078,303         | 1,107,564         | 1,136,824         | 1,166,084         | 1,195,344         | 2.3%        |
| 7310                            | Transportation Subsidy                  | 49,000            | 49,000            | 49,000            | 49,000            | 49,000            | 49,000            | 49,000            | 49,000            | 49,000            | 49,000            | 49,000            | 0.0%        |
| 7320                            | PlanCon                                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | —           |
| 7340                            | Property Tax Reduction                  | 487,398           | 487,398           | 487,398           | 487,398           | 487,398           | 487,398           | 487,398           | 487,398           | 487,398           | 487,398           | 487,398           | 0.0%        |
| 7360                            | Safe Schools Grant                      | 25,000            | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | (100.0%)    |
| 7505                            | Ready to Learn Block Grant              | 119,607           | 119,607           | 119,607           | 119,607           | 119,607           | 119,607           | 119,607           | 119,607           | 119,607           | 119,607           | 119,607           | 0.0%        |
| 75XX                            | Supplemental Ready to Learn Block Grant | 0                 | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | —           |
| 7800                            | PSERS Reimbursement                     | 1,566,468         | 1,613,462         | 1,661,866         | 1,711,722         | 1,763,074         | 1,815,966         | 1,870,445         | 1,926,558         | 1,984,355         | 2,043,886         | 2,105,202         | 3.0%        |
| 7XXX                            | Other State Revenue                     | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            | 0.0%        |
| <b>State Sources Subtotal</b>   |   | <b>6,839,532</b>  | <b>8,020,705</b>  | <b>8,156,987</b>  | <b>8,296,752</b>  | <b>8,436,817</b>  | <b>8,576,961</b>  | <b>8,719,915</b>  | <b>8,865,170</b>  | <b>9,012,675</b>  | <b>9,162,499</b>  | <b>9,314,714</b>  | <b>3.1%</b> |
| <b>Federal Sources</b>          |   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |             |
| 8514                            | Title I                                 | 229,499           | 234,089           | 238,771           | 243,546           | 248,417           | 253,385           | 258,453           | 263,622           | 268,895           | 274,273           | 279,758           | 2.0%        |
| 8515                            | Title II                                | 34,401            | 35,089            | 35,791            | 36,507            | 37,237            | 37,981            | 38,741            | 39,516            | 40,306            | 41,112            | 41,935            | 2.0%        |
| 8516                            | Title III                               | 13,506            | 13,776            | 14,052            | 14,333            | 14,619            | 14,912            | 15,210            | 15,514            | 15,824            | 16,141            | 16,464            | 2.0%        |
| 8517                            | Title IV                                | 816,847           | 833,184           | 849,848           | 866,845           | 884,181           | 901,865           | 919,902           | 938,300           | 957,066           | 976,208           | 995,732           | 2.0%        |
| 8740                            | Other CARES Act                         | 112,000           | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | (100.0%)    |
| 8741                            | ESSER I                                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | —           |
| 8743                            | ESSER II                                | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | —           |
| 8744                            | ARP ESSER                               | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | —           |
| 8750                            | ESSER Set-Asides                        | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | —           |
| 8810                            | Medicaid ACCESS                         | 200,000           | 204,000           | 208,080           | 212,242           | 216,486           | 220,816           | 225,232           | 229,737           | 234,332           | 239,019           | 243,799           | 2.0%        |
| 8XXX                            | Other Federal Revenue                   | 127,000           | 129,540           | 132,131           | 134,773           | 137,469           | 140,218           | 143,023           | 145,883           | 148,801           | 151,777           | 154,812           | 2.0%        |
| <b>Federal Sources Subtotal</b> |   | <b>1,533,253</b>  | <b>1,449,678</b>  | <b>1,478,672</b>  | <b>1,508,245</b>  | <b>1,538,410</b>  | <b>1,569,178</b>  | <b>1,600,562</b>  | <b>1,632,573</b>  | <b>1,665,224</b>  | <b>1,698,529</b>  | <b>1,732,499</b>  | <b>1.2%</b> |
| <b>TOTAL REVENUES</b>           |   | <b>23,145,701</b> | <b>24,701,285</b> | <b>25,594,791</b> | <b>26,527,281</b> | <b>27,497,255</b> | <b>28,226,890</b> | <b>28,977,811</b> | <b>29,750,093</b> | <b>30,544,285</b> | <b>31,361,079</b> | <b>32,201,186</b> | <b>3.4%</b> |
| <b>EXPENDITURES</b>             |   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |             |
| 110                             | Administrators                          | 762,500           | 785,375           | 808,936           | 833,204           | 858,200           | 883,946           | 910,465           | 937,779           | 965,912           | 994,890           | 1,024,736         | 3.0%        |
| 122                             | Substitutes                             | 100,000           | 103,000           | 106,090           | 109,273           | 112,551           | 115,927           | 119,405           | 122,987           | 126,677           | 130,477           | 134,392           | 3.0%        |
| 120                             | Teachers                                | 6,326,103         | 6,515,887         | 6,711,363         | 6,912,704         | 7,120,085         | 7,333,688         | 7,553,698         | 7,780,309         | 8,013,719         | 8,254,130         | 8,501,754         | 3.0%        |
| 130                             | Professional                            | 362,709           | 373,590           | 384,798           | 396,342           | 408,232           | 420,479           | 433,093           | 446,086           | 459,469           | 473,253           | 487,450           | 3.0%        |
| 140                             | Technical                               | 229,527           | 236,413           | 243,505           | 250,811           | 258,335           | 266,085           | 274,068           | 282,290           | 290,758           | 299,481           | 308,465           | 3.0%        |
| 150                             | Clerical                                | 608,994           | 627,264           | 646,082           | 665,464           | 685,428           | 705,991           | 727,170           | 748,986           | 771,455           | 794,599           | 818,437           | 3.0%        |
| 160                             | Maintenance                             | 51,499            | 53,044            | 54,635            | 56,274            | 57,962            | 59,701            | 61,492            | 63,337            | 65,237            | 67,194            | 69,210            | 3.0%        |
| 180                             | Custodians                              | 311,035           | 320,366           | 329,977           | 339,876           | 350,073           | 360,575           | 371,392           | 382,534           | 394,010           | 405,830           | 418,005           | 3.0%        |
| 190                             | Instructional Assistant                 | 707,582           | 728,809           | 750,673           | 773,194           | 796,389           | 820,281           | 844,889           | 870,236           | 896,343           | 923,234           | 950,931           | 3.0%        |
| <b>Salaries Subtotal</b>        |   | <b>9,459,949</b>  | <b>9,743,747</b>  | <b>10,036,060</b> | <b>10,337,142</b> | <b>10,647,256</b> | <b>10,966,674</b> | <b>11,295,674</b> | <b>11,634,544</b> | <b>11,983,580</b> | <b>12,343,088</b> | <b>12,713,380</b> | <b>3.0%</b> |
| <b>Benefits</b>                 |   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |             |
| 230                             | PSERS                                   | 3,138,186         | 3,477,543         | 3,614,989         | 3,770,989         | 3,916,061         | 4,047,799         | 4,190,695         | 4,339,685         | 4,493,843         | 4,653,344         | 4,818,371         | 4.4%        |
| 210/270                         | Health Insurance                        | 1,570,027         | 1,632,828         | 1,698,141         | 1,766,067         | 1,836,709         | 1,910,178         | 1,986,585         | 2,066,048         | 2,148,690         | 2,234,638         | 2,324,023         | 4.0%        |
| 220                             | Social Security                         | 716,199           | 737,685           | 759,816           | 782,610           | 806,089           | 830,271           | 855,180           | 880,835           | 907,260           | 934,478           | 962,512           | 3.0%        |
| 250-A                           | Ongoing Unemployment                    | 0                 | 10,000            | 10,300            | 10,609            | 10,927            | 11,255            | 11,593            | 11,941            | 12,299            | 12,668            | 13,048            | —           |
| 250-B                           | One-Time Unemployment                   | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | —           |
| 260                             | Workers' Compensation                   | 67,923            | 69,961            | 72,060            | 74,222            | 76,448            | 78,742            | 81,104            | 83,537            | 86,043            | 88,625            | 91,283            | 3.0%        |
| 2XX                             | Other Benefits                          | 0                 | 50,000            | 51,750            | 53,561            | 55,168            | 56,823            | 58,130            | 59,467            | 60,835            | 62,234            | 63,665            | —           |
| <b>Benefits Subtotal</b>        |   | <b>5,492,335</b>  | <b>5,978,018</b>  | <b>6,207,055</b>  | <b>6,458,058</b>  | <b>6,701,402</b>  | <b>6,935,068</b>  | <b>7,183,286</b>  | <b>7,441,513</b>  | <b>7,708,969</b>  | <b>7,985,986</b>  | <b>8,272,903</b>  | <b>4.2%</b> |
| <b>Personnel Costs Subtotal</b> |   | <b>14,952,284</b> | <b>15,721,765</b> | <b>16,243,115</b> | <b>16,795,200</b> | <b>17,348,658</b> | <b>17,901,742</b> | <b>18,478,960</b> | <b>19,076,057</b> | <b>19,692,550</b> | <b>20,329,073</b> | <b>20,986,283</b> | <b>3.4%</b> |

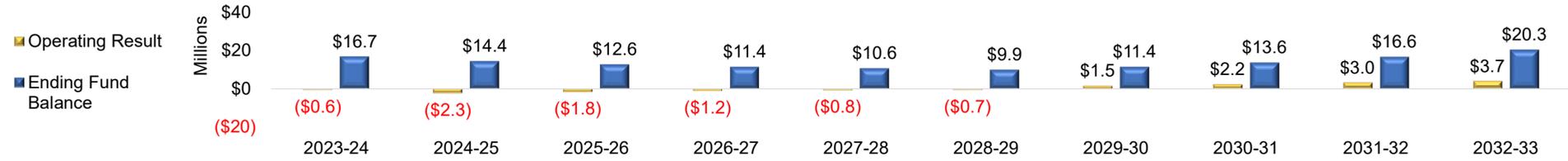
|                            | 2022-23                             | 2023-24            | 2024-25            | 2025-26            | 2026-27            | 2027-28            | 2028-29            | 2029-30            | 2030-31            | 2031-32           | 2032-33           | CAGR              |                |
|----------------------------|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|-------------------|----------------|
|                            | Budget                              | Projected          | Projected         | Projected         | 22-23 to 32-33    |                |
| <b>Tuition</b>             |                                     |                    |                    |                    |                    |                    |                    |                    |                    |                   |                   |                   |                |
| 560                        | Other Tuition                       | 143,200            | 148,212            | 153,399            | 158,768            | 163,531            | 168,437            | 172,311            | 176,275            | 180,329           | 184,477           | 188,719           | 2.8%           |
| 561-A                      | Tuition to Other LEA's              | 560,170            | 579,776            | 600,068            | 621,070            | 639,703            | 658,894            | 674,048            | 689,551            | 705,411           | 721,635           | 738,233           | 2.8%           |
| 561-B                      | Tuition to Pennsbury                | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                 | 0                 | 0                 | —              |
| 562                        | Charter School Tuition              | 904,000            | 1,308,471          | 1,388,723          | 1,376,422          | 1,353,869          | 1,325,591          | 1,293,153          | 1,256,431          | 1,216,703         | 1,173,862         | 1,127,777         | 2.2%           |
| 564                        | Tuition to BCTHS                    | 741,206            | 798,077            | 829,627            | 857,453            | 882,107            | 907,467            | 927,557            | 948,068            | 969,012           | 990,609           | 1,012,544         | 3.2%           |
|                            | <b>Tuition Subtotal</b>             | <b>2,348,576</b>   | <b>2,834,536</b>   | <b>2,971,818</b>   | <b>3,013,713</b>   | <b>3,039,210</b>   | <b>3,060,389</b>   | <b>3,067,070</b>   | <b>3,070,325</b>   | <b>3,071,455</b>  | <b>3,070,582</b>  | <b>3,067,273</b>  | <b>2.7%</b>    |
| <b>Non-Personnel Costs</b> |                                     |                    |                    |                    |                    |                    |                    |                    |                    |                   |                   |                   |                |
| 322                        | IU Services                         | 2,363,251          | 2,445,965          | 2,531,574          | 2,620,179          | 2,698,784          | 2,779,748          | 2,843,682          | 2,909,086          | 2,975,995         | 3,044,443         | 3,114,465         | 2.8%           |
| 3XX                        | Professional Services               | 796,042            | 823,903            | 852,740            | 882,586            | 909,064            | 936,335            | 957,871            | 979,902            | 1,002,440         | 1,025,496         | 1,049,083         | 2.8%           |
| 430                        | Repairs and Maintenance             | 81,700             | 84,560             | 87,519             | 90,582             | 93,300             | 96,099             | 98,309             | 100,570            | 102,883           | 105,250           | 107,670           | 2.8%           |
| 440                        | Rentals                             | 11,000             | 11,385             | 11,783             | 12,196             | 12,562             | 12,939             | 13,236             | 13,541             | 13,852            | 14,171            | 14,497            | 2.8%           |
| 4XX                        | Property Services                   | 191,000            | 197,685            | 204,604            | 211,765            | 218,118            | 224,662            | 229,829            | 235,115            | 240,523           | 246,055           | 251,714           | 2.8%           |
| 510                        | Transportation                      | 102,000            | 105,570            | 109,265            | 113,089            | 116,482            | 119,976            | 122,736            | 125,559            | 128,447           | 131,401           | 134,423           | 2.8%           |
| 516                        | IU Transportation                   | 580,000            | 600,300            | 621,311            | 643,056            | 662,348            | 682,219            | 697,910            | 713,961            | 730,383           | 747,181           | 764,367           | 2.8%           |
| 520                        | General Insurance                   | 98,000             | 101,430            | 104,980            | 108,654            | 111,914            | 115,271            | 117,923            | 120,635            | 123,409           | 126,248           | 129,152           | 2.8%           |
| 530                        | Communications                      | 22,600             | 23,391             | 24,210             | 25,057             | 25,809             | 26,583             | 27,194             | 27,820             | 28,460            | 29,114            | 29,784            | 2.8%           |
| 5XX                        | Other Purchased Services            | 46,440             | 48,065             | 49,748             | 51,489             | 53,034             | 54,625             | 55,881             | 57,166             | 58,481            | 59,826            | 61,202            | 2.8%           |
| 610                        | Supplies                            | 234,188            | 351,060            | 364,547            | 378,548            | 391,184            | 404,237            | 414,882            | 425,803            | 437,008           | 448,502           | 460,294           | 7.0%           |
| 620-A                      | Building Utilities                  | 52,000             | 53,820             | 55,704             | 57,653             | 59,383             | 61,164             | 62,571             | 64,010             | 65,483            | 66,989            | 68,529            | 2.8%           |
| 620-B                      | Gasoline - Vans                     | 5,000              | 5,175              | 5,356              | 5,544              | 5,710              | 5,881              | 6,016              | 6,155              | 6,296             | 6,441             | 6,589             | 2.8%           |
| 640                        | Books                               | 14,025             | 14,516             | 15,024             | 15,550             | 16,016             | 16,497             | 16,876             | 17,264             | 17,661            | 18,068            | 18,483            | 2.8%           |
| 648                        | Technology Supplies                 | 77,900             | 189,302            | 196,838            | 204,669            | 211,780            | 219,133            | 225,196            | 231,422            | 237,815           | 244,379           | 251,120           | 12.4%          |
| 700                        | Property                            | 83,951             | 86,889             | 89,930             | 93,078             | 95,870             | 98,746             | 101,018            | 103,341            | 105,718           | 108,149           | 110,637           | 2.8%           |
|                            | <b>Non-Personnel Costs Subtotal</b> | <b>4,759,097</b>   | <b>5,143,015</b>   | <b>5,325,131</b>   | <b>5,513,695</b>   | <b>5,681,356</b>   | <b>5,854,114</b>   | <b>5,991,130</b>   | <b>6,131,351</b>   | <b>6,274,853</b>  | <b>6,421,713</b>  | <b>6,572,008</b>  | <b>3.3%</b>    |
| <b>Other Expenditures</b>  |                                     |                    |                    |                    |                    |                    |                    |                    |                    |                   |                   |                   |                |
| 800/900                    | Debt Service                        | 839,476            | 896,288            | 1,243,937          | 1,243,693          | 1,244,839          | 1,244,395          | 1,243,518          | 1,244,023          | 1,242,956         | 1,243,388         | 1,243,218         | 4.0%           |
| 810                        | Dues and Fees                       | 39,225             | 39,225             | 39,225             | 39,225             | 39,225             | 39,225             | 39,225             | 39,225             | 39,225            | 39,225            | 39,225            | 0.0%           |
| 8XX                        | Other Objects                       | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                 | 0                 | 0                 | —              |
| 930                        | Fund Transfers                      | 59,200             | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                 | 0                 | 0                 | (100.0%)       |
|                            | <b>Other Expenditures Subtotal</b>  | <b>937,901</b>     | <b>935,513</b>     | <b>1,283,162</b>   | <b>1,282,918</b>   | <b>1,284,064</b>   | <b>1,283,620</b>   | <b>1,282,743</b>   | <b>1,283,248</b>   | <b>1,282,181</b>  | <b>1,282,613</b>  | <b>1,282,443</b>  | <b>3.2%</b>    |
|                            | <b>TOTAL EXPENDITURES</b>           | <b>22,997,858</b>  | <b>24,634,830</b>  | <b>25,823,226</b>  | <b>26,605,527</b>  | <b>27,353,289</b>  | <b>28,099,865</b>  | <b>28,819,903</b>  | <b>29,560,981</b>  | <b>30,321,038</b> | <b>31,103,981</b> | <b>31,908,008</b> | <b>3.3%</b>    |
|                            | <b>Operating Result</b>             | <b>147,843</b>     | <b>66,455</b>      | <b>(228,435)</b>   | <b>(78,245)</b>    | <b>143,966</b>     | <b>127,025</b>     | <b>157,908</b>     | <b>189,112</b>     | <b>223,247</b>    | <b>257,098</b>    | <b>293,178</b>    | <b>7.1%</b>    |
|                            | <b>Ending Fund Balance</b>          | <b>(1,458,741)</b> | <b>(1,392,286)</b> | <b>(1,620,721)</b> | <b>(1,698,967)</b> | <b>(1,555,000)</b> | <b>(1,427,975)</b> | <b>(1,270,067)</b> | <b>(1,080,955)</b> | <b>(857,708)</b>  | <b>(600,611)</b>  | <b>(307,432)</b>  | <b>(14.4%)</b> |



## Appendix F: Merger and Tuition Scenario Model Financial Projections

Included in the follow pages

# Pennsbury School District Scenario 1: Merger



|  | 2022-23 Budget | 2023-24 Projected | 2024-25 Projected | 2025-26 Projected | 2026-27 Projected | 2027-28 Projected | 2028-29 Projected | 2029-30 Projected | 2030-31 Projected | 2031-32 Projected | 2032-33 Projected | CAGR 2-23 to 32-33 |
|--|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
|--|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|

**SUMMARY REVENUES**

|   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |               |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------|
| Current and Interim Real Estate Taxes   | 157,533,686        | 163,341,042        | 180,151,264        | 186,696,298        | 193,472,624        | 200,488,431        | 207,752,202        | 215,298,592        | 222,222,533        | 229,363,922        | 236,729,600        | 4.2%          |
| Real Estate Transfer Taxes              | 3,237,276          | 3,256,700          | 3,426,240          | 3,446,797          | 3,467,478          | 3,488,283          | 3,509,213          | 3,530,268          | 3,551,450          | 3,572,758          | 3,594,195          | 1.1%          |
| Delinquent Real Estate Taxes            | 2,951,058          | 2,610,078          | 2,876,713          | 2,985,016          | 3,097,071          | 3,213,010          | 3,332,969          | 3,457,488          | 3,572,163          | 3,690,375          | 3,812,231          | 2.6%          |
| Tuition from Morrisville                | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | —             |
| Other Local Revenue                     | 6,307,414          | 6,339,879          | 6,747,252          | 6,781,560          | 6,816,829          | 6,853,085          | 6,890,357          | 6,928,672          | 6,962,433          | 6,997,004          | 7,032,405          | 1.1%          |
| <b>Local Sources</b>                    | <b>170,029,434</b> | <b>175,547,699</b> | <b>193,201,468</b> | <b>199,909,672</b> | <b>206,854,002</b> | <b>214,042,809</b> | <b>221,484,740</b> | <b>229,215,020</b> | <b>236,308,579</b> | <b>243,624,059</b> | <b>251,168,430</b> | <b>4.0%</b>   |
| Basic Education Funding                 | 18,073,634         | 18,791,383         | 22,708,609         | 23,189,024         | 23,669,440         | 24,149,855         | 24,630,270         | 25,110,685         | 25,591,100         | 26,071,516         | 26,551,931         | 3.9%          |
| Special Education Funding               | 5,809,103          | 6,410,578          | 7,325,147          | 7,487,447          | 7,649,746          | 7,812,046          | 7,974,345          | 8,136,645          | 8,298,945          | 8,461,244          | 8,623,544          | 4.0%          |
| State Reimbursements                    | 23,075,004         | 24,020,348         | 26,392,750         | 27,360,909         | 28,323,587         | 29,196,634         | 30,152,768         | 30,920,866         | 31,913,647         | 32,926,868         | 33,972,261         | 3.9%          |
| Supplemental Ready to Learn Block Grant | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | —             |
| Other State Revenue                     | 10,820,962         | 10,807,652         | 10,385,562         | 10,595,154         | 10,491,471         | 10,491,372         | 10,491,440         | 10,491,011         | 10,209,475         | 10,222,002         | 10,119,304         | (0.7%)        |
| <b>State Sources</b>                    | <b>57,778,703</b>  | <b>60,029,961</b>  | <b>66,812,068</b>  | <b>68,632,534</b>  | <b>70,134,244</b>  | <b>71,649,907</b>  | <b>73,248,824</b>  | <b>74,659,207</b>  | <b>76,013,167</b>  | <b>77,681,630</b>  | <b>79,267,039</b>  | <b>3.2%</b>   |
| <b>Federal Sources</b>                  | <b>5,036,960</b>   | <b>2,328,860</b>   | <b>3,854,109</b>   | <b>3,931,191</b>   | <b>4,009,815</b>   | <b>4,090,011</b>   | <b>4,171,811</b>   | <b>4,255,247</b>   | <b>4,340,352</b>   | <b>4,427,159</b>   | <b>4,515,703</b>   | <b>(1.1%)</b> |
| <b>Other Funding Sources</b>            | <b>0</b>           | <b>—</b>      |
| <b>Total Revenues</b>                   | <b>232,845,097</b> | <b>237,906,520</b> | <b>263,867,645</b> | <b>272,473,396</b> | <b>280,998,061</b> | <b>289,782,727</b> | <b>298,905,375</b> | <b>308,129,474</b> | <b>316,662,098</b> | <b>325,732,849</b> | <b>334,951,173</b> | <b>3.7%</b>   |
| Check                                   | TRUE               |               |

**EXPENDITURES**

|                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |             |
|---------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------|
| Salaries                  | 107,430,139        | 110,336,577        | 120,317,990        | 123,431,414        | 126,911,523        | 130,441,782        | 134,141,533        | 136,946,540        | 140,717,399        | 144,544,726        | 148,479,051        | 3.3%        |
| Benefits                  | 63,866,060         | 66,446,917         | 73,803,280         | 76,151,130         | 78,896,829         | 81,545,990         | 84,341,293         | 86,655,997         | 89,585,823         | 92,592,992         | 95,702,668         | 4.1%        |
| Charter School Tuition    | 6,875,078          | 7,107,670          | 8,496,572          | 8,185,327          | 7,969,974          | 7,751,043          | 7,746,651          | 7,751,696          | 7,929,557          | 8,160,709          | 8,398,703          | 2.0%        |
| Debt Service              | 15,857,474         | 17,082,977         | 18,409,495         | 19,471,633         | 19,954,643         | 21,268,940         | 22,659,813         | 23,429,711         | 23,183,231         | 23,186,753         | 23,194,718         | 3.9%        |
| Other Expenditures        | 40,053,626         | 37,538,991         | 45,179,512         | 46,990,786         | 48,447,278         | 49,591,530         | 50,721,417         | 51,890,698         | 53,055,347         | 54,249,362         | 55,468,436         | 3.3%        |
| <b>Total Expenditures</b> | <b>234,082,377</b> | <b>238,513,132</b> | <b>266,206,850</b> | <b>274,230,290</b> | <b>282,180,247</b> | <b>290,599,285</b> | <b>299,610,707</b> | <b>306,674,642</b> | <b>314,471,358</b> | <b>322,734,541</b> | <b>331,243,576</b> | <b>3.5%</b> |
| Check                     | TRUE               |             |

|                                       |                    |                   |                    |                    |                    |                   |                  |                   |                   |                   |                   |             |
|---------------------------------------|--------------------|-------------------|--------------------|--------------------|--------------------|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------|
| <b>Operating Result</b>               | <b>(1,237,280)</b> | <b>(606,613)</b>  | <b>(2,339,204)</b> | <b>(1,756,893)</b> | <b>(1,182,186)</b> | <b>(816,557)</b>  | <b>(705,332)</b> | <b>1,454,833</b>  | <b>2,190,740</b>  | <b>2,998,308</b>  | <b>3,707,596</b>  | <b>—</b>    |
| <b>Ending Fund Balance</b>            | <b>17,333,821</b>  | <b>16,727,208</b> | <b>14,388,004</b>  | <b>12,631,111</b>  | <b>11,448,924</b>  | <b>10,632,367</b> | <b>9,927,035</b> | <b>11,381,868</b> | <b>13,572,608</b> | <b>16,570,916</b> | <b>20,278,512</b> | <b>1.6%</b> |
| Operating Result as % of Expenditures | (0.5%)             | (0.3%)            | (0.9%)             | (0.6%)             | (0.4%)             | (0.3%)            | (0.2%)           | 0.5%              | 0.7%              | 0.9%              | 1.1%              |             |
| Fund Balance as % of Expenditures     | 7.4%               | 7.0%              | 5.4%               | 4.6%               | 4.1%               | 3.7%              | 3.3%             | 3.7%              | 4.3%              | 5.1%              | 6.1%              |             |

**REVENUES**

| <b>Local Sources</b>          |                              | 2022-23 Budget     | 2023-24 Projected  | 2024-25 Projected  | 2025-26 Projected  | 2026-27 Projected  | 2027-28 Projected  | 2028-29 Projected  | 2029-30 Projected  | 2030-31 Projected  | 2031-32 Projected  | 2032-33 Projected  | CAGR        |
|-------------------------------|------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------|
| 6111                          | Real Estate Taxes            | 157,533,686        | 163,341,042        | 180,151,264        | 186,696,298        | 193,472,624        | 200,488,431        | 207,752,202        | 215,298,592        | 222,222,533        | 229,363,922        | 236,729,600        | 4.2%        |
| 6114                          | PILOTs                       | 1,159,451          | 1,191,916          | 1,225,289          | 1,259,597          | 1,294,866          | 1,331,122          | 1,368,394          | 1,406,709          | 1,440,470          | 1,475,041          | 1,510,442          | 2.7%        |
| 6153                          | Real Estate Transfer Taxes   | 3,237,276          | 3,256,700          | 3,426,240          | 3,446,797          | 3,467,478          | 3,488,283          | 3,509,213          | 3,530,268          | 3,551,450          | 3,572,758          | 3,594,195          | 1.1%        |
| 6411                          | Delinquent Real Estate Taxes | 2,951,058          | 2,610,078          | 2,876,713          | 2,985,016          | 3,097,071          | 3,213,010          | 3,332,969          | 3,457,488          | 3,572,163          | 3,690,375          | 3,812,231          | 2.6%        |
| 6500                          | Earnings on Investments      | 1,566,792          | 1,566,792          | 1,646,792          | 1,646,792          | 1,646,792          | 1,646,792          | 1,646,792          | 1,646,792          | 1,646,792          | 1,646,792          | 1,646,792          | 0.5%        |
| 6830                          | Federal Pass Through         | 2,157,830          | 2,157,830          | 2,385,830          | 2,385,830          | 2,385,830          | 2,385,830          | 2,385,830          | 2,385,830          | 2,385,830          | 2,385,830          | 2,385,830          | 1.0%        |
| 6910                          | Rentals                      | 350,000            | 350,000            | 360,000            | 360,000            | 360,000            | 360,000            | 360,000            | 360,000            | 360,000            | 360,000            | 360,000            | 0.3%        |
| 6920                          | Local Contributions          | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 0.0%        |
| 6940-A                        | Tuition from Other LEA's     | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | —           |
| 6940-B                        | Tuition from Morrisville     | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | —           |
| 6XXX                          | Other Local Revenues         | 573,341            | 573,341            | 629,341            | 629,341            | 629,341            | 629,341            | 629,341            | 629,341            | 629,341            | 629,341            | 629,341            | 0.9%        |
| <b>Local Sources Subtotal</b> |                              | <b>170,029,434</b> | <b>175,547,699</b> | <b>193,201,468</b> | <b>199,909,672</b> | <b>206,854,002</b> | <b>214,042,809</b> | <b>221,484,740</b> | <b>229,215,020</b> | <b>236,308,579</b> | <b>243,624,059</b> | <b>251,168,430</b> | <b>4.0%</b> |

|                                 | 2022-23<br>Budget  | 2023-24<br>Projected | 2024-25<br>Projected | 2025-26<br>Projected | 2026-27<br>Projected | 2027-28<br>Projected | 2028-29<br>Projected | 2029-30<br>Projected | 2030-31<br>Projected | 2031-32<br>Projected | 2032-33<br>Projected | CAGR<br>2-23 to 32-33 |
|---------------------------------|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| <b>State Sources</b>            |                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                       |
| 7111                            | 18,073,634         | 18,791,383           | 22,708,609           | 23,189,024           | 23,669,440           | 24,149,855           | 24,630,270           | 25,110,685           | 25,591,100           | 26,071,516           | 26,551,931           | 3.9%                  |
| 7160                            | 100,000            | 100,000              | 115,000              | 115,000              | 115,000              | 115,000              | 115,000              | 115,000              | 115,000              | 115,000              | 115,000              | 1.4%                  |
| 7271                            | 5,809,103          | 6,410,578            | 7,325,147            | 7,487,447            | 7,649,746            | 7,812,046            | 7,974,345            | 8,136,645            | 8,298,945            | 8,461,244            | 8,623,544            | 4.0%                  |
| 7292                            | 787,500            | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 0.0%                  |
| 7310                            | 1,653,902          | 1,653,902            | 1,653,902            | 1,853,870            | 1,853,870            | 1,853,870            | 1,853,870            | 1,853,870            | 1,865,653            | 1,865,653            | 1,865,653            | 1.2%                  |
| 7320                            | 1,850,000          | 1,836,690            | 772,595              | 782,219              | 678,536              | 678,437              | 678,505              | 678,076              | 384,757              | 397,284              | 294,586              | (16.8%)               |
| 7340                            | 5,240,827          | 5,240,827            | 5,728,225            | 5,728,225            | 5,728,225            | 5,728,225            | 5,728,225            | 5,728,225            | 5,728,225            | 5,728,225            | 5,728,225            | 0.9%                  |
| 7505                            | 783,733            | 783,733              | 903,340              | 903,340              | 903,340              | 903,340              | 903,340              | 903,340              | 903,340              | 903,340              | 903,340              | 1.4%                  |
| 75XX                            | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | —                     |
| 7599                            | 205,000            | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 0.0%                  |
| 7810                            | 4,113,814          | 4,239,860            | 4,623,412            | 4,743,051            | 4,876,779            | 5,012,435            | 5,154,604            | 5,262,391            | 5,407,292            | 5,554,364            | 5,705,546            | 3.3%                  |
| 7820                            | 18,961,190         | 19,780,488           | 21,769,338           | 22,617,858           | 23,446,808           | 24,184,199           | 24,998,164           | 25,658,475           | 26,506,355           | 27,372,505           | 28,266,715           | 4.1%                  |
| 7000                            | 200,000            | 200,000              | 220,000              | 220,000              | 220,000              | 220,000              | 220,000              | 220,000              | 220,000              | 220,000              | 220,000              | 1.0%                  |
| <b>State Sources Subtotal</b>   | <b>57,778,703</b>  | <b>60,029,961</b>    | <b>66,812,068</b>    | <b>68,632,534</b>    | <b>70,134,244</b>    | <b>71,649,907</b>    | <b>73,248,824</b>    | <b>74,659,207</b>    | <b>76,013,167</b>    | <b>77,681,630</b>    | <b>79,267,039</b>    | <b>3.2%</b>           |
| <b>Federal Sources</b>          |                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                       |
| 8514                            | 904,235            | 922,320              | 1,179,537            | 1,203,128            | 1,227,190            | 1,251,734            | 1,276,769            | 1,302,304            | 1,328,350            | 1,354,917            | 1,382,015            | 4.3%                  |
| 8515                            | 200,787            | 204,803              | 244,690              | 249,583              | 254,575              | 259,667              | 264,860              | 270,157              | 275,560              | 281,071              | 286,693              | 3.6%                  |
| 8516                            | 44,889             | 45,787               | 60,754               | 61,969               | 63,209               | 64,473               | 65,762               | 67,077               | 68,419               | 69,787               | 71,183               | 4.7%                  |
| 8517                            | 53,285             | 54,351               | 905,285              | 923,391              | 941,859              | 960,696              | 979,910              | 999,508              | 1,019,498            | 1,039,888            | 1,060,686            | 34.9%                 |
| 8740                            | 2,647,764          | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | (100.0%)              |
| 8741                            | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | —                     |
| 8743                            | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | —                     |
| 8744                            | 106,000            | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | (100.0%)              |
| 8750                            | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | —                     |
| 8800                            | 1,040,000          | 1,060,800            | 1,290,096            | 1,315,898            | 1,342,216            | 1,369,060            | 1,396,441            | 1,424,370            | 1,452,858            | 1,481,915            | 1,511,553            | 3.8%                  |
| 8XXX                            | 40,000             | 40,800               | 173,747              | 177,222              | 180,766              | 184,381              | 188,069              | 191,831              | 195,667              | 199,580              | 203,572              | 17.7%                 |
| <b>Federal Sources Subtotal</b> | <b>5,036,960</b>   | <b>2,328,860</b>     | <b>3,854,109</b>     | <b>3,931,191</b>     | <b>4,009,815</b>     | <b>4,090,011</b>     | <b>4,171,811</b>     | <b>4,255,247</b>     | <b>4,340,352</b>     | <b>4,427,159</b>     | <b>4,515,703</b>     | <b>(1.1%)</b>         |
| <b>TOTAL REVENUES</b>           | <b>232,845,097</b> | <b>237,906,520</b>   | <b>263,867,645</b>   | <b>272,473,396</b>   | <b>280,998,061</b>   | <b>289,782,727</b>   | <b>298,905,375</b>   | <b>308,129,474</b>   | <b>316,662,098</b>   | <b>325,732,849</b>   | <b>334,951,173</b>   | <b>3.7%</b>           |
| <b>EXPENDITURES</b>             |                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                       |
| 110                             | 7,144,721          | 7,287,615            | 7,761,269            | 7,716,471            | 7,877,444            | 8,041,621            | 8,209,069            | 8,371,621            | 8,537,408            | 8,706,494            | 8,878,944            | 2.2%                  |
| 122                             | 429,745            | 438,340              | 447,107              | 456,049              | 465,170              | 474,473              | 483,963              | 493,642              | 503,515              | 513,585              | 523,857              | 2.0%                  |
| 123                             | 2,075,102          | 2,137,355            | 2,201,476            | 2,267,520            | 2,335,546            | 2,405,612            | 2,477,780            | 2,552,114            | 2,628,677            | 2,707,537            | 2,788,764            | 3.0%                  |
| 120                             | 73,708,459         | 75,919,713           | 83,478,033           | 85,982,374           | 88,655,217           | 91,411,047           | 94,252,436           | 96,161,738           | 99,046,590           | 102,017,988          | 105,078,527          | 3.6%                  |
| 1XX                             | 278,181            | 283,745              | 289,420              | 295,208              | 301,112              | 307,134              | 313,277              | 319,543              | 325,933              | 332,452              | 339,101              | 2.0%                  |
| 1X2                             | 426,912            | 435,450              | 444,159              | 453,042              | 462,103              | 471,345              | 480,772              | 490,388              | 500,195              | 510,199              | 520,403              | 2.0%                  |
| 1X3                             | 553,515            | 564,585              | 575,877              | 587,395              | 599,142              | 611,125              | 623,348              | 635,815              | 648,531              | 661,502              | 674,732              | 2.0%                  |
| 130                             | 232,777            | 237,433              | 280,035              | 285,582              | 291,232              | 296,999              | 302,879              | 308,875              | 314,990              | 321,227              | 327,587              | 3.5%                  |
| 150                             | 5,162,149          | 5,265,392            | 5,441,968            | 5,553,419            | 5,667,080            | 5,783,122            | 5,898,659            | 6,016,504            | 6,136,704            | 6,259,306            | 6,384,357            | 2.1%                  |
| 160                             | 2,637,636          | 2,690,389            | 2,744,196            | 2,799,080            | 2,855,062            | 2,912,163            | 2,970,407            | 3,029,815            | 3,090,411            | 3,152,219            | 3,215,264            | 2.0%                  |
| 170                             | 2,581,593          | 2,633,225            | 3,133,516            | 3,213,607            | 3,286,393            | 3,360,866            | 3,446,652            | 3,562,401            | 3,654,015            | 3,726,735            | 3,800,907            | 3.9%                  |
| 180                             | 4,446,652          | 4,535,585            | 4,802,786            | 4,905,734            | 5,007,267            | 5,062,926            | 5,169,713            | 5,278,824            | 5,390,142            | 5,497,675            | 5,607,353            | 2.3%                  |
| 190                             | 7,752,697          | 7,907,751            | 8,718,149            | 8,915,933            | 9,108,755            | 9,303,348            | 9,512,578            | 9,725,261            | 9,940,288            | 10,137,809           | 10,339,256           | 2.9%                  |
| <b>Salaries Subtotal</b>        | <b>107,430,139</b> | <b>110,336,577</b>   | <b>120,317,990</b>   | <b>123,431,414</b>   | <b>126,911,523</b>   | <b>130,441,782</b>   | <b>134,141,533</b>   | <b>136,946,540</b>   | <b>140,717,399</b>   | <b>144,544,726</b>   | <b>148,479,051</b>   | <b>3.3%</b>           |

|                                     | 2022-23<br>Budget               | 2023-24<br>Projected | 2024-25<br>Projected | 2025-26<br>Projected | 2026-27<br>Projected | 2027-28<br>Projected | 2028-29<br>Projected | 2029-30<br>Projected | 2030-31<br>Projected | 2031-32<br>Projected | 2032-33<br>Projected | CAGR<br>2-23 to 32-33 |             |
|-------------------------------------|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-------------|
| <b>Benefits</b>                     |                                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                       |             |
| 230                                 | PSERS                           | 37,748,061           | 39,379,124           | 43,338,540           | 45,027,780           | 46,678,058           | 48,146,062           | 49,766,509           | 51,081,059           | 52,769,025           | 54,493,362           | 56,273,560            | 4.1%        |
| 210/270                             | Health Insurance                | 12,438,233           | 12,935,762           | 14,914,151           | 15,473,459           | 16,098,443           | 16,752,699           | 17,433,627           | 18,001,877           | 18,718,014           | 19,462,796           | 20,237,370            | 5.0%        |
| 220                                 | Social Security                 | 8,189,814            | 8,440,748            | 9,204,326            | 9,442,503            | 9,708,732            | 9,978,796            | 10,261,827           | 10,476,410           | 10,764,881           | 11,057,672           | 11,358,647            | 3.3%        |
| 276                                 | Prescriptions                   | 3,102,086            | 3,226,169            | 3,355,216            | 3,489,425            | 3,629,002            | 3,774,162            | 3,925,128            | 4,082,134            | 4,245,419            | 4,415,236            | 4,591,845             | 4.0%        |
| 2XX                                 | Other Benefits                  | 952,738              | 986,084              | 1,057,896            | 1,094,571            | 1,127,959            | 1,162,365            | 1,189,680            | 1,211,834            | 1,239,707            | 1,268,220            | 1,297,389             | 3.1%        |
| 260                                 | Workers' Compensation           | 766,500              | 787,237              | 808,551              | 846,693              | 886,929              | 929,221              | 955,432              | 975,286              | 1,002,172            | 1,029,459            | 1,057,508             | 3.3%        |
| 212                                 | Dental Insurance                | 587,520              | 608,083              | 629,366              | 651,394              | 670,936              | 691,064              | 706,958              | 723,218              | 739,852              | 756,869              | 774,277               | 2.8%        |
| 215                                 | Vision Insurance                | 51,108               | 52,897               | 57,609               | 59,522               | 61,320               | 63,172               | 64,659               | 65,923               | 67,446               | 69,003               | 70,596                | 3.3%        |
| 250-A                               | Ongoing Unemployment            | 30,000               | 30,812               | 33,610               | 34,479               | 35,452               | 36,438               | 37,472               | 38,254               | 39,307               | 40,376               | 41,475                | 3.3%        |
| 250-B                               | One-Time Unemployment           | 0                    | 0                    | 404,014              | 31,304               | 0                    | 12,012               | 0                    | 0                    | 0                    | 0                    | 0                     | —           |
| <b>Benefits Subtotal</b>            |                                 | <b>63,866,060</b>    | <b>66,446,917</b>    | <b>73,803,280</b>    | <b>76,151,130</b>    | <b>78,896,829</b>    | <b>81,545,990</b>    | <b>84,341,293</b>    | <b>86,655,997</b>    | <b>89,585,823</b>    | <b>92,592,992</b>    | <b>95,702,668</b>     | <b>4.1%</b> |
| <b>Personnel Costs Subtotal</b>     |                                 | <b>171,296,199</b>   | <b>176,783,494</b>   | <b>194,121,270</b>   | <b>199,582,544</b>   | <b>205,808,352</b>   | <b>211,987,772</b>   | <b>218,482,826</b>   | <b>223,602,537</b>   | <b>230,303,222</b>   | <b>237,137,718</b>   | <b>244,181,719</b>    | <b>3.6%</b> |
| <b>Tuition</b>                      |                                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                       |             |
| 560                                 | Other Tuition (Nonpublic, PRRI) | 4,358,503            | 4,511,051            | 4,822,337            | 4,991,119            | 5,140,852            | 5,295,078            | 5,416,864            | 5,541,452            | 5,668,906            | 5,799,291            | 5,932,674             | 3.1%        |
| 561                                 | Tuition to Other LEA's          | 639,908              | 662,305              | 1,285,554            | 1,330,548            | 1,370,464            | 1,411,578            | 1,444,045            | 1,477,258            | 1,511,235            | 1,545,993            | 1,581,551             | 9.5%        |
| 562                                 | Charter School Tuition          | 6,875,078            | 7,107,670            | 8,496,572            | 8,185,327            | 7,969,974            | 7,751,043            | 7,746,651            | 7,751,696            | 7,929,557            | 8,160,709            | 8,398,703             | 2.0%        |
| 564                                 | Tuition to BCTHS                | 5,413,249            | 5,921,106            | 6,976,844            | 7,202,783            | 7,402,762            | 7,608,218            | 7,771,429            | 7,937,780            | 8,107,356            | 8,283,425            | 8,461,159             | 4.6%        |
| <b>Tuition Subtotal</b>             |                                 | <b>17,286,738</b>    | <b>18,202,132</b>    | <b>21,581,307</b>    | <b>21,709,776</b>    | <b>21,884,053</b>    | <b>22,065,917</b>    | <b>22,378,989</b>    | <b>22,708,185</b>    | <b>23,217,054</b>    | <b>23,789,418</b>    | <b>24,374,087</b>     | <b>3.5%</b> |
| <b>Non-Personnel Costs</b>          |                                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                       |             |
| 322                                 | IU Services                     | 4,066,440            | 3,523,085            | 3,646,393            | 3,774,017            | 3,887,237            | 4,003,855            | 4,095,943            | 4,190,150            | 4,286,523            | 4,385,113            | 4,485,971             | 1.0%        |
| 3XX                                 | Professional Services           | 5,218,671            | 5,401,324            | 8,706,501            | 9,014,688            | 9,288,917            | 9,571,400            | 9,795,158            | 10,022,504           | 10,253,425           | 10,489,672           | 10,731,368            | 7.5%        |
| 430                                 | Repairs and Maintenance         | 1,591,409            | 1,647,108            | 1,775,190            | 1,837,322            | 1,892,441            | 1,871,877            | 1,914,930            | 1,958,974            | 2,004,030            | 2,050,123            | 2,097,275             | 2.8%        |
| 440                                 | Rentals                         | 1,408,592            | 1,457,893            | 1,508,919            | 1,561,731            | 1,608,583            | 1,656,841            | 1,694,948            | 1,733,932            | 1,773,812            | 1,814,610            | 1,856,346             | 2.8%        |
| 4XX                                 | Property Services               | 66,120               | 68,434               | 70,829               | 73,308               | 75,508               | 77,773               | 79,562               | 81,392               | 83,264               | 85,179               | 87,138                | 2.8%        |
| 510                                 | Misc. Transportation            | 119,765              | 123,957              | 447,563              | 463,228              | 477,125              | 491,438              | 502,742              | 537,570              | 549,934              | 562,582              | 575,522               | 17.0%       |
| 516                                 | IU Transportation               | 1,967,542            | 2,036,406            | 2,728,991            | 2,824,505            | 2,909,241            | 2,996,518            | 3,065,438            | 3,135,943            | 3,208,069            | 3,281,855            | 3,357,338             | 5.5%        |
| 520                                 | General Insurance               | 725,370              | 750,758              | 777,034              | 804,231              | 828,358              | 853,208              | 872,832              | 892,907              | 913,444              | 934,453              | 955,946               | 2.8%        |
| 530                                 | Communications                  | 96,000               | 99,360               | 102,838              | 106,437              | 109,630              | 112,919              | 115,516              | 118,173              | 120,891              | 123,671              | 126,516               | 2.8%        |
| 5XX                                 | Other Purchased Services        | 374,998              | 388,123              | 401,707              | 415,767              | 428,240              | 441,087              | 451,232              | 461,611              | 472,228              | 483,089              | 494,200               | 2.8%        |
| 610                                 | Supplies                        | 3,835,925            | 2,546,072            | 2,789,600            | 2,893,281            | 2,986,306            | 3,048,434            | 3,122,991            | 3,196,778            | 3,270,304            | 3,345,521            | 3,422,468             | (1.1%)      |
| 620-B                               | Building Utilities              | 1,550,558            | 1,604,828            | 1,853,817            | 1,918,701            | 1,976,262            | 1,844,999            | 1,887,434            | 1,930,845            | 1,975,254            | 2,020,685            | 2,067,161             | 2.9%        |
| 620-V                               | Vehicle Fuel                    | 886,942              | 917,985              | 950,114              | 983,368              | 1,012,870            | 1,043,256            | 1,067,250            | 1,091,797            | 1,116,909            | 1,142,597            | 1,168,877             | 2.8%        |
| 630                                 | Food                            | 26,670               | 27,603               | 28,570               | 29,570               | 30,457               | 31,370               | 32,092               | 32,830               | 33,585               | 34,357               | 35,148                | 2.8%        |
| 640                                 | Books                           | 1,211,459            | 1,253,860            | 1,297,745            | 1,343,166            | 1,383,461            | 1,424,965            | 1,457,739            | 1,491,267            | 1,525,566            | 1,560,654            | 1,596,549             | 2.8%        |
| 648/650                             | Technology Supplies             | 1,695,657            | 1,757,670            | 2,055,842            | 2,153,381            | 2,229,698            | 2,310,586            | 2,372,876            | 2,431,463            | 2,487,387            | 2,544,596            | 2,603,122             | 4.4%        |
| 700                                 | Property                        | 2,874,878            | 3,045,499            | 3,184,392            | 3,527,097            | 3,689,504            | 3,800,190            | 3,887,594            | 3,977,009            | 4,068,480            | 4,162,055            | 4,257,782             | 4.0%        |
| <b>Non-Personnel Costs Subtotal</b> |                                 | <b>27,716,996</b>    | <b>26,649,965</b>    | <b>32,326,046</b>    | <b>33,723,797</b>    | <b>34,813,838</b>    | <b>35,580,714</b>    | <b>36,416,278</b>    | <b>37,285,143</b>    | <b>38,143,105</b>    | <b>39,020,815</b>    | <b>39,918,727</b>     | <b>3.7%</b> |
| <b>Other Expenditures</b>           |                                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                       |             |
| 800/900                             | Debt Service                    | 15,857,474           | 17,082,977           | 18,409,495           | 19,471,633           | 19,954,643           | 21,268,940           | 22,659,813           | 23,429,711           | 23,183,231           | 23,186,753           | 23,194,718            | 3.9%        |
| 810                                 | Dues and Fees                   | 99,460               | 99,460               | 99,460               | 99,460               | 99,460               | 99,460               | 99,460               | 99,460               | 99,460               | 99,460               | 99,460                | 0.0%        |
| 840                                 | Budgetary Reserve               | 400,000              | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                     | (100.0%)    |
| 899                                 | Pass Through Funds              | 272,000              | 272,000              | 272,000              | 272,000              | 272,000              | 272,000              | 272,000              | 272,000              | 272,000              | 272,000              | 272,000               | 0.0%        |
| 8XX                                 | Other Objects                   | 53,510               | 53,510               | 53,510               | 53,510               | 53,510               | 53,510               | 53,510               | 53,510               | 53,510               | 53,510               | 53,510                | 0.0%        |
| 939                                 | Fund Transfers                  | 1,100,000            | 250,000              | 250,000              | 250,000              | 250,000              | 250,000              | 250,000              | 250,000              | 250,000              | 250,000              | 250,000               | (13.8%)     |
| SPEC                                | 2% Savings                      | 0                    | (880,406)            | (906,238)            | (932,432)            | (955,609)            | (979,028)            | (1,002,169)          | (1,025,905)          | (1,050,224)          | (1,075,132)          | (1,100,645)           | —           |
| <b>Other Expenditures Subtotal</b>  |                                 | <b>17,782,444</b>    | <b>16,877,541</b>    | <b>18,178,227</b>    | <b>19,214,172</b>    | <b>19,674,005</b>    | <b>20,964,881</b>    | <b>22,332,614</b>    | <b>23,078,776</b>    | <b>22,807,977</b>    | <b>22,786,591</b>    | <b>22,769,043</b>     | <b>2.5%</b> |
| <b>TOTAL EXPENDITURES</b>           |                                 | <b>234,082,377</b>   | <b>238,513,132</b>   | <b>266,206,850</b>   | <b>274,230,290</b>   | <b>282,180,247</b>   | <b>290,599,285</b>   | <b>299,610,707</b>   | <b>306,674,642</b>   | <b>314,471,358</b>   | <b>322,734,541</b>   | <b>331,243,576</b>    | <b>3.5%</b> |
| <b>Operating Result</b>             |                                 | <b>(1,237,280)</b>   | <b>(606,613)</b>     | <b>(2,339,204)</b>   | <b>(1,756,893)</b>   | <b>(1,182,186)</b>   | <b>(816,557)</b>     | <b>(705,332)</b>     | <b>1,454,833</b>     | <b>2,190,740</b>     | <b>2,998,308</b>     | <b>3,707,596</b>      | <b>—</b>    |
| <b>Ending Fund Balance</b>          |                                 | <b>15,251,003</b>    | <b>14,644,390</b>    | <b>12,305,186</b>    | <b>10,548,293</b>    | <b>9,366,106</b>     | <b>8,549,549</b>     | <b>7,844,217</b>     | <b>9,299,050</b>     | <b>11,489,790</b>    | <b>14,488,098</b>    | <b>18,195,694</b>     | <b>1.8%</b> |

## Pennsbury School District Scenario 2: Tuition Grades 3 to 12



|  | 2022-23 Budget | 2023-24 Projected | 2024-25 Projected | 2025-26 Projected | 2026-27 Projected | 2027-28 Projected | 2028-29 Projected | 2029-30 Projected | 2030-31 Projected | 2031-32 Projected | 2032-33 Projected | CAGR 22-23 to 32-33 |
|--|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
|--|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|

### SUMMARY REVENUES

|   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |               |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------|
| Current and Interim Real Estate Taxes   | 157,533,686        | 163,341,042        | 169,355,780        | 175,585,303        | 182,037,283        | 188,719,663        | 195,640,670        | 202,808,827        | 209,395,120        | 216,190,065        | 223,200,275        | 3.5%          |
| Real Estate Transfer Taxes              | 3,237,276          | 3,256,700          | 3,276,240          | 3,295,897          | 3,315,673          | 3,335,567          | 3,355,580          | 3,375,714          | 3,395,968          | 3,416,344          | 3,436,842          | 0.6%          |
| Delinquent Real Estate Taxes            | 2,951,058          | 2,610,078          | 2,710,016          | 2,813,447          | 2,920,494          | 3,031,284          | 3,145,950          | 3,264,628          | 3,374,089          | 3,486,951          | 3,603,318          | 2.0%          |
| Tuition from Morrisville                | 0                  | 0                  | 8,014,663          | 8,193,068          | 8,495,648          | 8,808,331          | 9,136,822          | 9,138,767          | 9,454,184          | 9,731,481          | 10,017,184         | —             |
| Other Local Revenue                     | 6,307,414          | 6,339,879          | 6,373,252          | 6,407,560          | 6,442,829          | 6,479,085          | 6,516,357          | 6,554,672          | 6,588,433          | 6,623,004          | 6,658,405          | 0.5%          |
| <b>Local Sources</b>                    | <b>170,029,434</b> | <b>175,547,699</b> | <b>189,729,952</b> | <b>196,295,276</b> | <b>203,211,927</b> | <b>210,373,930</b> | <b>217,795,379</b> | <b>225,142,608</b> | <b>232,207,794</b> | <b>239,447,845</b> | <b>246,916,024</b> | <b>3.8%</b>   |
| Basic Education Funding                 | 18,073,634         | 18,791,383         | 19,224,475         | 19,657,566         | 20,090,658         | 20,523,749         | 20,956,841         | 21,389,933         | 21,823,024         | 22,256,116         | 22,689,207         | 2.3%          |
| Special Education Funding               | 5,809,103          | 6,410,578          | 6,562,982          | 6,715,386          | 6,867,790          | 7,020,195          | 7,172,599          | 7,325,003          | 7,477,407          | 7,629,811          | 7,782,216          | 3.0%          |
| State Reimbursements                    | 23,075,004         | 24,020,348         | 25,819,894         | 26,807,178         | 27,725,818         | 28,566,103         | 29,475,834         | 30,220,164         | 31,188,910         | 32,179,443         | 33,201,424         | 3.7%          |
| Supplemental Ready to Learn Block Grant | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | —             |
| Other State Revenue                     | 10,820,962         | 10,807,652         | 9,743,557          | 9,889,923          | 9,786,240          | 9,786,141          | 9,786,209          | 9,785,780          | 9,504,243          | 9,516,770          | 9,414,072          | (1.4%)        |
| <b>State Sources</b>                    | <b>57,778,703</b>  | <b>60,029,961</b>  | <b>61,350,907</b>  | <b>63,070,053</b>  | <b>64,470,506</b>  | <b>65,896,187</b>  | <b>67,391,482</b>  | <b>68,720,879</b>  | <b>69,993,585</b>  | <b>71,582,140</b>  | <b>73,086,920</b>  | <b>2.4%</b>   |
| <b>Federal Sources</b>                  | <b>5,036,960</b>   | <b>2,328,860</b>   | <b>2,375,437</b>   | <b>2,422,946</b>   | <b>2,471,405</b>   | <b>2,520,833</b>   | <b>2,571,250</b>   | <b>2,622,675</b>   | <b>2,675,128</b>   | <b>2,728,631</b>   | <b>2,783,203</b>   | <b>(5.8%)</b> |
| <b>Other Funding Sources</b>            | <b>0</b>           | <b>—</b>      |
| <b>Total Revenues</b>                   | <b>232,845,097</b> | <b>237,906,520</b> | <b>253,456,296</b> | <b>261,788,275</b> | <b>270,153,837</b> | <b>278,790,951</b> | <b>287,758,111</b> | <b>296,486,161</b> | <b>304,876,507</b> | <b>313,758,616</b> | <b>322,786,147</b> | <b>3.3%</b>   |
| Check                                   | TRUE               |               |

### EXPENDITURES

|                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |             |
|---------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------|
| Salaries                  | 107,430,139        | 110,336,577        | 117,706,481        | 120,933,407        | 124,233,056        | 127,624,757        | 131,130,035        | 133,843,176        | 137,521,804        | 141,263,624        | 145,110,035        | 3.1%        |
| Benefits                  | 63,866,060         | 66,446,917         | 71,738,684         | 74,503,556         | 77,154,340         | 79,683,992         | 82,360,660         | 84,604,128         | 87,461,723         | 90,398,473         | 93,435,294         | 3.9%        |
| Charter School Tuition    | 6,875,078          | 7,107,670          | 7,122,181          | 7,354,031          | 7,350,787          | 7,314,367          | 7,526,503          | 7,747,322          | 7,930,060          | 8,161,442          | 8,399,828          | 2.0%        |
| Debt Service              | 15,857,474         | 17,082,977         | 17,389,255         | 18,451,602         | 18,933,465         | 20,248,239         | 21,639,951         | 22,409,347         | 22,163,976         | 22,166,936         | 22,175,098         | 3.4%        |
| Other Expenditures        | 40,053,626         | 37,538,991         | 39,576,110         | 41,183,815         | 42,462,113         | 43,723,981         | 44,714,672         | 45,744,359         | 46,767,643         | 47,817,040         | 48,888,171         | 2.0%        |
| <b>Total Expenditures</b> | <b>234,082,377</b> | <b>238,513,132</b> | <b>253,532,711</b> | <b>262,426,412</b> | <b>270,133,761</b> | <b>278,595,336</b> | <b>287,371,821</b> | <b>294,348,331</b> | <b>301,845,206</b> | <b>309,807,516</b> | <b>318,008,426</b> | <b>3.1%</b> |
| Check                     | TRUE               |             |

|                                       |                    |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |             |
|---------------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|
| <b>Operating Result</b>               | <b>(1,237,280)</b> | <b>(606,613)</b>  | <b>(76,415)</b>   | <b>(638,136)</b>  | <b>20,076</b>     | <b>195,615</b>    | <b>386,290</b>    | <b>2,137,830</b>  | <b>3,031,301</b>  | <b>3,951,100</b>  | <b>4,777,721</b>  | <b>—</b>    |
| <b>Ending Fund Balance</b>            | <b>17,333,821</b>  | <b>16,727,208</b> | <b>16,650,793</b> | <b>16,012,657</b> | <b>16,032,733</b> | <b>16,228,348</b> | <b>16,614,638</b> | <b>18,752,468</b> | <b>21,783,768</b> | <b>25,734,868</b> | <b>30,512,590</b> | <b>5.8%</b> |
| Operating Result as % of Expenditures | (0.5%)             | (0.3%)            | (0.0%)            | (0.2%)            | 0.0%              | 0.1%              | 0.1%              | 0.7%              | 1.0%              | 1.3%              | 1.5%              |             |
| Fund Balance as % of Expenditures     | 7.4%               | 7.0%              | 6.6%              | 6.1%              | 5.9%              | 5.8%              | 5.8%              | 6.4%              | 7.2%              | 8.3%              | 9.6%              |             |

### REVENUES

#### Local Sources

|                                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |             |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------|
| 6111 Real Estate Taxes            | 157,533,686        | 163,341,042        | 169,355,780        | 175,585,303        | 182,037,283        | 188,719,663        | 195,640,670        | 202,808,827        | 209,395,120        | 216,190,065        | 223,200,275        | 3.5%        |
| 6114 PILOTs                       | 1,159,451          | 1,191,916          | 1,225,289          | 1,259,597          | 1,294,866          | 1,331,122          | 1,368,394          | 1,406,709          | 1,440,470          | 1,475,041          | 1,510,442          | 2.7%        |
| 6153 Real Estate Transfer Taxes   | 3,237,276          | 3,256,700          | 3,276,240          | 3,295,897          | 3,315,673          | 3,335,567          | 3,355,580          | 3,375,714          | 3,395,968          | 3,416,344          | 3,436,842          | 0.6%        |
| 6411 Delinquent Real Estate Taxes | 2,951,058          | 2,610,078          | 2,710,016          | 2,813,447          | 2,920,494          | 3,031,284          | 3,145,950          | 3,264,628          | 3,374,089          | 3,486,951          | 3,603,318          | 2.0%        |
| 6500 Earnings on Investments      | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 0.0%        |
| 6830 Federal Pass Through         | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 0.0%        |
| 6910 Rentals                      | 350,000            | 350,000            | 350,000            | 350,000            | 350,000            | 350,000            | 350,000            | 350,000            | 350,000            | 350,000            | 350,000            | 0.0%        |
| 6920 Local Contributions          | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 0.0%        |
| 6940-A Tuition from Other LEA's   | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | —           |
| 6940-B Tuition from Morrisville   | 0                  | 0                  | 8,014,663          | 8,193,068          | 8,495,648          | 8,808,331          | 9,136,822          | 9,138,767          | 9,454,184          | 9,731,481          | 10,017,184         | —           |
| 6XXX Other Local Revenues         | 573,341            | 573,341            | 573,341            | 573,341            | 573,341            | 573,341            | 573,341            | 573,341            | 573,341            | 573,341            | 573,341            | 0.0%        |
| <b>Local Sources Subtotal</b>     | <b>170,029,434</b> | <b>175,547,699</b> | <b>189,729,952</b> | <b>196,295,276</b> | <b>203,211,927</b> | <b>210,373,930</b> | <b>217,795,379</b> | <b>225,142,608</b> | <b>232,207,794</b> | <b>239,447,845</b> | <b>246,916,024</b> | <b>3.8%</b> |

|                                 | 2022-23<br>Budget  | 2023-24<br>Projected | 2024-25<br>Projected | 2025-26<br>Projected | 2026-27<br>Projected | 2027-28<br>Projected | 2028-29<br>Projected | 2029-30<br>Projected | 2030-31<br>Projected | 2031-32<br>Projected | 2032-33<br>Projected | CAGR<br>22-23 to 32-33 |
|---------------------------------|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| <b>State Sources</b>            |                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                        |
| 7111                            | 18,073,634         | 18,791,383           | 19,224,475           | 19,657,566           | 20,090,658           | 20,523,749           | 20,956,841           | 21,389,933           | 21,823,024           | 22,256,116           | 22,689,207           | 2.3%                   |
| 7160                            | 100,000            | 100,000              | 100,000              | 100,000              | 100,000              | 100,000              | 100,000              | 100,000              | 100,000              | 100,000              | 100,000              | 0.0%                   |
| 7271                            | 5,809,103          | 6,410,578            | 6,562,982            | 6,715,386            | 6,867,790            | 7,020,195            | 7,172,599            | 7,325,003            | 7,477,407            | 7,629,811            | 7,782,216            | 3.0%                   |
| 7292                            | 787,500            | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 0.0%                   |
| 7310                            | 1,653,902          | 1,653,902            | 1,653,902            | 1,790,644            | 1,790,644            | 1,790,644            | 1,790,644            | 1,790,644            | 1,802,426            | 1,802,426            | 1,802,426            | 0.9%                   |
| 7320                            | 1,850,000          | 1,836,690            | 772,595              | 782,219              | 678,536              | 678,437              | 678,505              | 678,076              | 384,757              | 397,284              | 294,586              | (16.8%)                |
| 7340                            | 5,240,827          | 5,240,827            | 5,240,827            | 5,240,827            | 5,240,827            | 5,240,827            | 5,240,827            | 5,240,827            | 5,240,827            | 5,240,827            | 5,240,827            | 0.0%                   |
| 7505                            | 783,733            | 783,733              | 783,733              | 783,733              | 783,733              | 783,733              | 783,733              | 783,733              | 783,733              | 783,733              | 783,733              | 0.0%                   |
| 75XX                            | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | —                      |
| 7599                            | 205,000            | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 0.0%                   |
| 7810                            | 4,113,814          | 4,239,860            | 4,523,061            | 4,647,061            | 4,773,855            | 4,904,186            | 5,038,882            | 5,143,139            | 5,284,496            | 5,428,282            | 5,576,086            | 3.1%                   |
| 7820                            | 18,961,190         | 19,780,488           | 21,296,833           | 22,160,117           | 22,951,963           | 23,661,916           | 24,436,952           | 25,077,025           | 25,904,414           | 26,751,161           | 27,625,338           | 3.8%                   |
| 7000                            | 200,000            | 200,000              | 200,000              | 200,000              | 200,000              | 200,000              | 200,000              | 200,000              | 200,000              | 200,000              | 200,000              | 0.0%                   |
| <b>State Sources Subtotal</b>   | <b>57,778,703</b>  | <b>60,029,961</b>    | <b>61,350,907</b>    | <b>63,070,053</b>    | <b>64,470,506</b>    | <b>65,896,187</b>    | <b>67,391,482</b>    | <b>68,720,879</b>    | <b>69,993,585</b>    | <b>71,582,140</b>    | <b>73,086,920</b>    | <b>2.4%</b>            |
| <b>Federal Sources</b>          |                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                        |
| 8514                            | 904,235            | 922,320              | 940,766              | 959,581              | 978,773              | 998,349              | 1,018,315            | 1,038,682            | 1,059,455            | 1,080,645            | 1,102,257            | 2.0%                   |
| 8515                            | 200,787            | 204,803              | 208,899              | 213,077              | 217,338              | 221,685              | 226,119              | 230,641              | 235,254              | 239,959              | 244,758              | 2.0%                   |
| 8516                            | 44,889             | 45,787               | 46,703               | 47,637               | 48,589               | 49,561               | 50,552               | 51,563               | 52,595               | 53,647               | 54,719               | 2.0%                   |
| 8517                            | 53,285             | 54,351               | 55,438               | 56,546               | 57,677               | 58,831               | 60,008               | 61,208               | 62,432               | 63,681               | 64,954               | 2.0%                   |
| 8740                            | 2,647,764          | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | (100.0%)               |
| 8741                            | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | —                      |
| 8743                            | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | —                      |
| 8744                            | 106,000            | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | (100.0%)               |
| 8750                            | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | —                      |
| 8800                            | 1,040,000          | 1,060,800            | 1,082,016            | 1,103,656            | 1,125,729            | 1,148,244            | 1,171,209            | 1,194,633            | 1,218,526            | 1,242,896            | 1,267,754            | 2.0%                   |
| 8XXX                            | 40,000             | 40,800               | 41,616               | 42,448               | 43,297               | 44,163               | 45,046               | 45,947               | 46,866               | 47,804               | 48,760               | 2.0%                   |
| <b>Federal Sources Subtotal</b> | <b>5,036,960</b>   | <b>2,328,860</b>     | <b>2,375,437</b>     | <b>2,422,946</b>     | <b>2,471,405</b>     | <b>2,520,833</b>     | <b>2,571,250</b>     | <b>2,622,675</b>     | <b>2,675,128</b>     | <b>2,728,631</b>     | <b>2,783,203</b>     | <b>(5.8%)</b>          |
| <b>TOTAL REVENUES</b>           | <b>232,845,097</b> | <b>237,906,520</b>   | <b>253,456,296</b>   | <b>261,788,275</b>   | <b>270,153,837</b>   | <b>278,790,951</b>   | <b>287,758,111</b>   | <b>296,486,161</b>   | <b>304,876,507</b>   | <b>313,758,616</b>   | <b>322,786,147</b>   | <b>3.3%</b>            |
| <b>EXPENDITURES</b>             |                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                        |
| 110                             | 7,144,721          | 7,287,615            | 7,433,368            | 7,582,035            | 7,733,676            | 7,888,349            | 8,046,116            | 8,207,039            | 8,371,179            | 8,538,603            | 8,709,375            | 2.0%                   |
| 122                             | 429,745            | 438,340              | 447,107              | 456,049              | 465,170              | 474,473              | 483,963              | 493,642              | 503,515              | 513,585              | 523,857              | 2.0%                   |
| 123                             | 2,075,102          | 2,137,355            | 2,201,476            | 2,267,520            | 2,335,546            | 2,405,612            | 2,477,780            | 2,552,114            | 2,628,677            | 2,707,537            | 2,788,764            | 3.0%                   |
| 120                             | 73,708,459         | 75,919,713           | 81,717,790           | 84,169,323           | 86,694,403           | 89,295,235           | 91,974,092           | 93,815,043           | 96,629,495           | 99,528,380           | 102,514,231          | 3.4%                   |
| 1XX                             | 278,181            | 283,745              | 289,420              | 295,208              | 301,112              | 307,134              | 313,277              | 319,543              | 325,933              | 332,452              | 339,101              | 2.0%                   |
| 1X2                             | 426,912            | 435,450              | 444,159              | 453,042              | 462,103              | 471,345              | 480,772              | 490,388              | 500,195              | 510,199              | 520,403              | 2.0%                   |
| 1X3                             | 553,515            | 564,585              | 575,877              | 587,395              | 599,142              | 611,125              | 623,348              | 635,815              | 648,531              | 661,502              | 674,732              | 2.0%                   |
| 130                             | 232,777            | 237,433              | 242,181              | 247,025              | 251,965              | 257,005              | 262,145              | 267,388              | 272,735              | 278,190              | 283,754              | 2.0%                   |
| 150                             | 5,162,149          | 5,265,392            | 5,370,700            | 5,478,114            | 5,587,676            | 5,699,430            | 5,813,418            | 5,929,687            | 6,048,280            | 6,169,246            | 6,292,631            | 2.0%                   |
| 160                             | 2,637,636          | 2,690,389            | 2,744,196            | 2,799,080            | 2,855,062            | 2,912,163            | 2,970,407            | 3,029,815            | 3,090,411            | 3,152,219            | 3,215,264            | 2.0%                   |
| 170                             | 2,581,593          | 2,633,225            | 3,062,020            | 3,137,926            | 3,207,842            | 3,279,278            | 3,360,502            | 3,471,527            | 3,558,226            | 3,629,170            | 3,701,528            | 3.7%                   |
| 180                             | 4,446,652          | 4,535,585            | 4,626,297            | 4,718,823            | 4,813,199            | 4,909,463            | 5,007,652            | 5,107,805            | 5,209,962            | 5,314,161            | 5,420,444            | 2.0%                   |
| 190                             | 7,752,697          | 7,907,751            | 8,551,891            | 8,741,867            | 8,926,159            | 9,114,144            | 9,316,563            | 9,523,372            | 9,734,664            | 9,928,380            | 10,125,953           | 2.7%                   |
| <b>Salaries Subtotal</b>        | <b>107,430,139</b> | <b>110,336,577</b>   | <b>117,706,481</b>   | <b>120,933,407</b>   | <b>124,233,056</b>   | <b>127,624,757</b>   | <b>131,130,035</b>   | <b>133,843,176</b>   | <b>137,521,804</b>   | <b>141,263,624</b>   | <b>145,110,035</b>   | <b>3.1%</b>            |

|                                     | 2022-23<br>Budget               | 2023-24<br>Projected | 2024-25<br>Projected | 2025-26<br>Projected | 2026-27<br>Projected | 2027-28<br>Projected | 2028-29<br>Projected | 2029-30<br>Projected | 2030-31<br>Projected | 2031-32<br>Projected | 2032-33<br>Projected | CAGR<br>22-23 to 32-33 |             |
|-------------------------------------|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|-------------|
| <b>Benefits</b>                     |                                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                        |             |
| 230                                 | PSERS                           | 37,748,061           | 39,379,124           | 42,397,874           | 44,116,507           | 45,692,918           | 47,106,298           | 48,649,243           | 49,923,504           | 51,570,676           | 53,256,386           | 54,996,703             | 3.8%        |
| 210/270                             | Health Insurance                | 12,438,233           | 12,935,762           | 14,403,963           | 14,974,923           | 15,568,623           | 16,188,624           | 16,833,426           | 17,379,177           | 18,071,915           | 18,792,363           | 19,541,628             | 4.6%        |
| 220                                 | Social Security                 | 8,189,814            | 8,440,748            | 9,004,546            | 9,251,406            | 9,503,829            | 9,763,294            | 10,031,448           | 10,239,003           | 10,520,418           | 10,806,667           | 11,100,918             | 3.1%        |
| 276                                 | Prescriptions                   | 3,102,086            | 3,226,169            | 3,355,216            | 3,489,425            | 3,629,002            | 3,774,162            | 3,925,128            | 4,082,134            | 4,245,419            | 4,415,236            | 4,591,845              | 4.0%        |
| 2XX                                 | Other Benefits                  | 952,738              | 986,084              | 1,048,919            | 1,085,631            | 1,118,200            | 1,151,746            | 1,178,237            | 1,199,659            | 1,227,251            | 1,255,478            | 1,284,354              | 3.0%        |
| 260                                 | Workers' Compensation           | 766,500              | 787,237              | 808,551              | 841,140              | 875,013              | 910,217              | 935,202              | 954,500              | 980,719              | 1,007,409            | 1,034,845              | 3.0%        |
| 212                                 | Dental Insurance                | 587,520              | 608,083              | 629,366              | 651,394              | 670,936              | 691,064              | 706,958              | 723,218              | 739,852              | 756,869              | 774,277                | 2.8%        |
| 215                                 | Vision Insurance                | 51,108               | 52,897               | 57,391               | 59,374               | 61,141               | 62,962               | 64,415               | 65,575               | 67,089               | 68,637               | 70,221                 | 3.2%        |
| 250-A                               | Ongoing Unemployment            | 30,000               | 30,812               | 32,857               | 33,757               | 34,678               | 35,625               | 36,603               | 37,358               | 38,384               | 39,429               | 40,503                 | 3.0%        |
| 250-B                               | One-Time Unemployment           | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                      | —           |
| <b>Benefits Subtotal</b>            |                                 | <b>63,866,060</b>    | <b>66,446,917</b>    | <b>71,738,684</b>    | <b>74,503,556</b>    | <b>77,154,340</b>    | <b>79,683,992</b>    | <b>82,360,660</b>    | <b>84,604,128</b>    | <b>87,461,723</b>    | <b>90,398,473</b>    | <b>93,435,294</b>      | <b>3.9%</b> |
| <b>Personnel Costs Subtotal</b>     |                                 | <b>171,296,199</b>   | <b>176,783,494</b>   | <b>189,445,165</b>   | <b>195,436,963</b>   | <b>201,387,396</b>   | <b>207,308,749</b>   | <b>213,490,696</b>   | <b>218,447,304</b>   | <b>224,983,527</b>   | <b>231,662,097</b>   | <b>238,545,329</b>     | <b>3.4%</b> |
| <b>Tuition</b>                      |                                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                        |             |
| 560                                 | Other Tuition (Nonpublic, PRRI) | 4,358,503            | 4,511,051            | 4,668,937            | 4,832,350            | 4,977,321            | 5,126,640            | 5,244,553            | 5,365,178            | 5,488,577            | 5,614,814            | 5,743,955              | 2.8%        |
| 561                                 | Tuition to Other LEA's          | 639,908              | 662,305              | 685,485              | 709,477              | 730,762              | 752,685              | 769,996              | 787,706              | 805,824              | 824,357              | 843,318                | 2.8%        |
| 562                                 | Charter School Tuition          | 6,875,078            | 7,107,670            | 7,122,181            | 7,354,031            | 7,350,787            | 7,314,367            | 7,526,503            | 7,747,322            | 7,930,060            | 8,161,442            | 8,399,828              | 2.0%        |
| 564                                 | Tuition to BCTHS                | 5,413,249            | 5,921,106            | 6,182,846            | 6,380,995            | 6,556,320            | 6,736,383            | 6,879,542            | 7,025,379            | 7,173,970            | 7,328,572            | 7,484,343              | 3.3%        |
| <b>Tuition Subtotal</b>             |                                 | <b>17,286,738</b>    | <b>18,202,132</b>    | <b>18,659,450</b>    | <b>19,276,854</b>    | <b>19,615,189</b>    | <b>19,930,075</b>    | <b>20,420,594</b>    | <b>20,925,584</b>    | <b>21,398,430</b>    | <b>21,929,185</b>    | <b>22,471,443</b>      | <b>2.7%</b> |
| <b>Non-Personnel Costs</b>          |                                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                        |             |
| 322                                 | IU Services                     | 4,066,440            | 3,523,085            | 3,646,393            | 3,774,017            | 3,887,237            | 4,003,855            | 4,095,943            | 4,190,150            | 4,286,523            | 4,385,113            | 4,485,971              | 1.0%        |
| 3XX                                 | Professional Services           | 5,218,671            | 5,401,324            | 5,690,677            | 5,893,310            | 6,073,898            | 6,259,930            | 6,407,524            | 6,556,954            | 6,708,168            | 6,862,874            | 7,021,154              | 3.0%        |
| 430                                 | Repairs and Maintenance         | 1,591,409            | 1,647,108            | 1,704,757            | 1,764,424            | 1,817,356            | 1,871,877            | 1,914,930            | 1,958,974            | 2,004,030            | 2,050,123            | 2,097,275              | 2.8%        |
| 440                                 | Rentals                         | 1,408,592            | 1,457,893            | 1,508,919            | 1,561,731            | 1,608,583            | 1,656,841            | 1,694,948            | 1,733,932            | 1,773,812            | 1,814,610            | 1,856,346              | 2.8%        |
| 4XX                                 | Property Services               | 66,120               | 68,434               | 70,829               | 73,308               | 75,508               | 77,773               | 79,562               | 81,392               | 83,264               | 85,179               | 87,138                 | 2.8%        |
| 510                                 | Misc. Transportation            | 119,765              | 123,957              | 411,741              | 426,152              | 438,937              | 452,105              | 462,503              | 496,406              | 507,824              | 519,504              | 531,452                | 16.1%       |
| 516                                 | IU Transportation               | 1,967,542            | 2,036,406            | 2,107,680            | 2,181,449            | 2,246,892            | 2,314,299            | 2,367,528            | 2,421,981            | 2,477,687            | 2,534,674            | 2,592,971              | 2.8%        |
| 520                                 | General Insurance               | 725,370              | 750,758              | 777,034              | 804,231              | 828,358              | 853,208              | 872,832              | 892,907              | 913,444              | 934,453              | 955,946                | 2.8%        |
| 530                                 | Communications                  | 96,000               | 99,360               | 102,838              | 106,437              | 109,630              | 112,919              | 115,516              | 118,173              | 120,891              | 123,671              | 126,516                | 2.8%        |
| 5XX                                 | Other Purchased Services        | 374,998              | 388,123              | 401,707              | 415,767              | 428,240              | 441,087              | 451,232              | 461,611              | 472,228              | 483,089              | 494,200                | 2.8%        |
| 610                                 | Supplies                        | 3,835,925            | 2,546,072            | 2,728,670            | 2,828,900            | 2,918,634            | 3,011,207            | 3,083,607            | 3,156,052            | 3,228,642            | 3,302,900            | 3,378,867              | (1.3%)      |
| 620-B                               | Building Utilities              | 1,550,558            | 1,604,828            | 1,660,996            | 1,719,131            | 1,770,705            | 1,823,826            | 1,865,774            | 1,908,687            | 1,952,587            | 1,997,497            | 2,043,439              | 2.8%        |
| 620-V                               | Vehicle Fuel                    | 886,942              | 917,985              | 950,114              | 983,368              | 1,012,870            | 1,043,256            | 1,067,250            | 1,091,797            | 1,116,909            | 1,142,597            | 1,168,877              | 2.8%        |
| 630                                 | Food                            | 26,670               | 27,603               | 28,570               | 29,570               | 30,457               | 31,370               | 32,092               | 32,830               | 33,585               | 34,357               | 35,148                 | 2.8%        |
| 640                                 | Books                           | 1,211,459            | 1,253,860            | 1,297,745            | 1,343,166            | 1,383,461            | 1,424,965            | 1,457,739            | 1,491,267            | 1,525,566            | 1,560,654            | 1,596,549              | 2.8%        |
| 648/650                             | Technology Supplies             | 1,695,657            | 1,757,670            | 1,997,045            | 2,086,396            | 2,158,078            | 2,233,623            | 2,291,204            | 2,346,909            | 2,400,888            | 2,456,109            | 2,512,599              | 4.0%        |
| 700                                 | Property                        | 2,874,878            | 3,045,499            | 3,184,392            | 3,527,097            | 3,689,504            | 3,800,190            | 3,887,594            | 3,977,009            | 4,068,480            | 4,162,055            | 4,257,782              | 4.0%        |
| <b>Non-Personnel Costs Subtotal</b> |                                 | <b>27,716,996</b>    | <b>26,649,965</b>    | <b>28,270,109</b>    | <b>29,518,454</b>    | <b>30,478,349</b>    | <b>31,412,331</b>    | <b>32,147,780</b>    | <b>32,917,031</b>    | <b>33,674,527</b>    | <b>34,449,459</b>    | <b>35,242,230</b>      | <b>2.4%</b> |
| <b>Other Expenditures</b>           |                                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                        |             |
| 800/900                             | Debt Service                    | 15,857,474           | 17,082,977           | 17,389,255           | 18,451,602           | 18,933,465           | 20,248,239           | 21,639,951           | 22,409,347           | 22,163,976           | 22,166,936           | 22,175,098             | 3.4%        |
| 810                                 | Dues and Fees                   | 99,460               | 99,460               | 99,460               | 99,460               | 99,460               | 99,460               | 99,460               | 99,460               | 99,460               | 99,460               | 99,460                 | 0.0%        |
| 840                                 | Budgetary Reserve               | 400,000              | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                      | (100.0%)    |
| 899                                 | Pass Through Funds              | 272,000              | 272,000              | 272,000              | 272,000              | 272,000              | 272,000              | 272,000              | 272,000              | 272,000              | 272,000              | 272,000                | 0.0%        |
| 8XX                                 | Other Objects                   | 53,510               | 53,510               | 53,510               | 53,510               | 53,510               | 53,510               | 53,510               | 53,510               | 53,510               | 53,510               | 53,510                 | 0.0%        |
| 939                                 | Fund Transfers                  | 1,100,000            | 250,000              | 250,000              | 250,000              | 250,000              | 250,000              | 250,000              | 250,000              | 250,000              | 250,000              | 250,000                | (13.8%)     |
| SPEC                                | 2% Savings                      | 0                    | (880,406)            | (906,238)            | (932,432)            | (955,609)            | (979,028)            | (1,002,169)          | (1,025,905)          | (1,050,224)          | (1,075,132)          | (1,100,645)            | —           |
| <b>Other Expenditures Subtotal</b>  |                                 | <b>17,782,444</b>    | <b>16,877,541</b>    | <b>17,157,987</b>    | <b>18,194,140</b>    | <b>18,652,826</b>    | <b>19,944,181</b>    | <b>21,312,752</b>    | <b>22,058,412</b>    | <b>21,788,722</b>    | <b>21,766,774</b>    | <b>21,749,423</b>      | <b>2.0%</b> |
| <b>TOTAL EXPENDITURES</b>           |                                 | <b>234,082,377</b>   | <b>238,513,132</b>   | <b>253,532,711</b>   | <b>262,426,412</b>   | <b>270,133,761</b>   | <b>278,595,336</b>   | <b>287,371,821</b>   | <b>294,348,331</b>   | <b>301,845,206</b>   | <b>309,807,516</b>   | <b>318,008,426</b>     | <b>3.1%</b> |
| <b>Operating Result</b>             |                                 | <b>(1,237,280)</b>   | <b>(606,613)</b>     | <b>(76,415)</b>      | <b>(638,136)</b>     | <b>20,076</b>        | <b>195,615</b>       | <b>386,290</b>       | <b>2,137,830</b>     | <b>3,031,301</b>     | <b>3,951,100</b>     | <b>4,777,721</b>       | <b>—</b>    |
| <b>Ending Fund Balance</b>          |                                 | <b>15,251,003</b>    | <b>14,644,390</b>    | <b>14,567,975</b>    | <b>13,929,839</b>    | <b>13,949,915</b>    | <b>14,145,530</b>    | <b>14,531,820</b>    | <b>16,669,650</b>    | <b>19,700,950</b>    | <b>23,652,050</b>    | <b>28,429,772</b>      | <b>6.4%</b> |

## Morrisville School District Scenario 2: Tuition Grades 3 to 12



|  | 2022-23<br>Budget | 2023-24<br>Projected | 2024-25<br>Projected | 2025-26<br>Projected | 2026-27<br>Projected | 2027-28<br>Projected | 2028-29<br>Projected | 2029-30<br>Projected | 2030-31<br>Projected | 2031-32<br>Projected | 2032-33<br>Projected | CAGR<br>22-23 to 32-33 |
|--|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
|--|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|

**SUMMARY**

**REVENUES**

|   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |             |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|
| Current and Interim Real Estate Taxes   | 13,798,916        | 14,483,258        | 15,036,063        | 15,625,399        | 16,237,129        | 16,237,129        | 16,571,327        | 16,946,979        | 17,330,911        | 17,723,304        | 18,124,346        | 2.8%        |
| Real Estate Transfer Taxes              | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 0.0%        |
| Delinquent Real Estate Taxes            | 450,000           | 223,644           | 232,180           | 241,281           | 250,728           | 250,728           | 255,888           | 261,689           | 267,618           | 273,677           | 279,870           | (4.6%)      |
| Other Local Revenue                     | 374,000           | 374,000           | 374,000           | 374,000           | 374,000           | 374,000           | 374,000           | 374,000           | 374,000           | 374,000           | 374,000           | 0.0%        |
| <b>Local Sources</b>                    | <b>14,772,916</b> | <b>15,230,902</b> | <b>15,792,243</b> | <b>16,390,680</b> | <b>17,011,857</b> | <b>17,011,857</b> | <b>17,351,216</b> | <b>17,732,669</b> | <b>18,122,529</b> | <b>18,520,981</b> | <b>18,928,216</b> | <b>2.5%</b> |
| Basic Education Funding                 | 3,260,791         | 3,403,284         | 3,446,845         | 3,490,405         | 3,533,966         | 3,577,527         | 3,621,087         | 3,664,648         | 3,708,208         | 3,751,769         | 3,795,329         | 1.5%        |
| Special Education Funding               | 952,492           | 932,003           | 961,263           | 990,523           | 1,019,783         | 1,049,043         | 1,078,303         | 1,107,564         | 1,136,824         | 1,166,084         | 1,195,344         | 2.3%        |
| State Reimbursements                    | 1,910,244         | 1,994,413         | 870,070           | 888,407           | 909,843           | 926,166           | 950,408           | 975,078           | 1,000,374         | 1,026,310         | 1,052,902         | (5.8%)      |
| Supplemental Ready to Learn Block Grant | 0                 | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 4,911.9%    |
| Other State Revenue                     | 716,005           | 691,005           | 691,005           | 691,005           | 691,005           | 691,005           | 691,005           | 691,005           | 691,005           | 691,005           | 691,005           | (0.4%)      |
| <b>State Sources</b>                    | <b>6,839,532</b>  | <b>8,020,705</b>  | <b>6,969,183</b>  | <b>7,060,340</b>  | <b>7,154,597</b>  | <b>7,243,741</b>  | <b>7,340,803</b>  | <b>7,438,295</b>  | <b>7,536,411</b>  | <b>7,635,168</b>  | <b>7,734,580</b>  | <b>1.2%</b> |
| <b>Federal Sources</b>                  | <b>1,533,253</b>  | <b>1,449,678</b>  | <b>1,478,672</b>  | <b>1,508,245</b>  | <b>1,538,410</b>  | <b>1,569,178</b>  | <b>1,600,562</b>  | <b>1,632,573</b>  | <b>1,665,224</b>  | <b>1,698,529</b>  | <b>1,732,499</b>  | <b>1.2%</b> |
| <b>Other Funding Sources</b>            | <b>0</b>          | <b>—</b>    |
| <b>Total Revenues</b>                   | <b>23,145,701</b> | <b>24,701,285</b> | <b>24,240,097</b> | <b>24,959,265</b> | <b>25,704,863</b> | <b>25,824,776</b> | <b>26,292,581</b> | <b>26,803,536</b> | <b>27,324,164</b> | <b>27,854,678</b> | <b>28,395,295</b> | <b>2.1%</b> |
| Check                                   | TRUE              |             |

**EXPENDITURES**

|                           |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |             |
|---------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|
| Salaries                  | 9,459,949         | 9,743,747         | 4,427,689         | 4,560,520         | 4,697,335         | 4,799,136         | 4,943,110         | 5,091,403         | 5,244,146         | 5,401,470         | 5,563,514         | (5.2%)      |
| Benefits                  | 5,492,335         | 5,978,018         | 3,753,033         | 2,742,822         | 2,832,832         | 2,895,141         | 2,989,084         | 3,097,097         | 3,208,954         | 3,324,897         | 3,444,967         | (4.6%)      |
| Tuition to Pennsbury      | 0                 | 0                 | 8,014,663         | 8,193,068         | 8,495,648         | 8,808,331         | 9,136,822         | 9,138,767         | 9,454,184         | 9,731,481         | 10,017,184        | —           |
| IU Services               | 2,363,251         | 2,445,965         | 2,531,574         | 2,620,179         | 2,698,784         | 2,779,748         | 2,843,682         | 2,909,086         | 2,975,995         | 3,044,443         | 3,114,465         | 2.8%        |
| Charter School Tuition    | 904,000           | 1,308,471         | 1,388,723         | 1,378,929         | 1,157,144         | 1,007,626         | 843,860           | 685,888           | 671,931           | 674,516           | 675,515           | (2.9%)      |
| Debt Service              | 839,476           | 896,288           | 984,611           | 984,367           | 985,513           | 985,069           | 984,192           | 984,697           | 983,630           | 984,062           | 983,892           | 1.6%        |
| Other Expenditures        | 3,938,847         | 4,262,341         | 3,709,986         | 3,841,116         | 3,956,820         | 3,885,423         | 3,974,091         | 4,064,716         | 4,157,344         | 4,252,229         | 4,349,091         | 1.0%        |
| <b>Total Expenditures</b> | <b>22,997,858</b> | <b>24,634,830</b> | <b>24,810,279</b> | <b>24,320,999</b> | <b>24,824,076</b> | <b>25,160,474</b> | <b>25,714,840</b> | <b>25,971,655</b> | <b>26,696,183</b> | <b>27,413,097</b> | <b>28,148,628</b> | <b>2.0%</b> |
| Check                     | TRUE              |             |

|                         |                |               |                  |                |                |                |                |                |                |                |                |             |
|-------------------------|----------------|---------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------|
| <b>Operating Result</b> | <b>147,843</b> | <b>66,455</b> | <b>(570,182)</b> | <b>638,266</b> | <b>880,788</b> | <b>664,302</b> | <b>577,740</b> | <b>831,881</b> | <b>627,981</b> | <b>441,581</b> | <b>246,668</b> | <b>5.3%</b> |
|-------------------------|----------------|---------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------|

|                                       |                    |                    |                    |                    |                  |                |                |                  |                  |                  |                  |          |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|------------------|----------------|----------------|------------------|------------------|------------------|------------------|----------|
| <b>Ending Fund Balance</b>            | <b>(1,458,741)</b> | <b>(1,392,286)</b> | <b>(1,962,468)</b> | <b>(1,324,202)</b> | <b>(443,415)</b> | <b>220,887</b> | <b>798,628</b> | <b>1,630,508</b> | <b>2,258,490</b> | <b>2,700,071</b> | <b>2,946,738</b> | <b>—</b> |
| Operating Result as % of Expenditures | 0.6%               | 0.3%               | (2.3%)             | 2.6%               | 3.5%             | 2.6%           | 2.2%           | 3.2%             | 2.4%             | 1.6%             | 0.9%             |          |
| Fund Balance as % of Expenditures     | (6.3%)             | (5.7%)             | (7.9%)             | (5.4%)             | (1.8%)           | 0.9%           | 3.1%           | 6.3%             | 8.5%             | 9.8%             | 10.5%            |          |

**REVENUES**

**Local Sources**

|                                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |             |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|
| 6111 Real Estate Taxes            | 13,798,916        | 14,483,258        | 15,036,063        | 15,625,399        | 16,237,129        | 16,237,129        | 16,571,327        | 16,946,979        | 17,330,911        | 17,723,304        | 18,124,346        | 2.8%        |
| 6153 Real Estate Transfer Taxes   | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 0.0%        |
| 6411 Delinquent Real Estate Taxes | 450,000           | 223,644           | 232,180           | 241,281           | 250,728           | 250,728           | 255,888           | 261,689           | 267,618           | 273,677           | 279,870           | (4.6%)      |
| 6500 Earnings on Investments      | 80,000            | 80,000            | 80,000            | 80,000            | 80,000            | 80,000            | 80,000            | 80,000            | 80,000            | 80,000            | 80,000            | 0.0%        |
| 6830 Federal Pass Through         | 228,000           | 228,000           | 228,000           | 228,000           | 228,000           | 228,000           | 228,000           | 228,000           | 228,000           | 228,000           | 228,000           | 0.0%        |
| 6910 Rentals                      | 10,000            | 10,000            | 10,000            | 10,000            | 10,000            | 10,000            | 10,000            | 10,000            | 10,000            | 10,000            | 10,000            | 0.0%        |
| 6940 Tuition                      | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | —           |
| 6XXX Other Local Revenues         | 56,000            | 56,000            | 56,000            | 56,000            | 56,000            | 56,000            | 56,000            | 56,000            | 56,000            | 56,000            | 56,000            | 0.0%        |
| <b>Local Sources Subtotal</b>     | <b>14,772,916</b> | <b>15,230,902</b> | <b>15,792,243</b> | <b>16,390,680</b> | <b>17,011,857</b> | <b>17,011,857</b> | <b>17,351,216</b> | <b>17,732,669</b> | <b>18,122,529</b> | <b>18,520,981</b> | <b>18,928,216</b> | <b>2.5%</b> |

|                                 | 2022-23                                 | 2023-24           | 2024-25           | 2025-26           | 2026-27           | 2027-28           | 2028-29           | 2029-30           | 2030-31           | 2031-32           | 2032-33           | CAGR              |               |
|---------------------------------|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------|
|                                 | Budget                                  | Projected         | 22-23 to 32-33    |               |
| <b>State Sources</b>            |   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |               |
| 7110                            | Basic Education Funding                 | 3,260,791         | 3,403,284         | 3,446,845         | 3,490,405         | 3,533,966         | 3,577,527         | 3,621,087         | 3,664,648         | 3,708,208         | 3,751,769         | 3,795,329         | 1.5%          |
| 7112                            | Social Security Reimbursement           | 343,776           | 380,951           | 194,565           | 205,611           | 215,278           | 221,862           | 230,869           | 240,344           | 250,180           | 260,389           | 270,986           | (2.4%)        |
| 7160                            | Tuition from Private Homes              | 15,000            | 15,000            | 15,000            | 15,000            | 15,000            | 15,000            | 15,000            | 15,000            | 15,000            | 15,000            | 15,000            | 0.0%          |
| 7270                            | Special Education Funding               | 952,492           | 932,003           | 961,263           | 990,523           | 1,019,783         | 1,049,043         | 1,078,303         | 1,107,564         | 1,136,824         | 1,166,084         | 1,195,344         | 2.3%          |
| 7310                            | Transportation Subsidy                  | 49,000            | 49,000            | 49,000            | 49,000            | 49,000            | 49,000            | 49,000            | 49,000            | 49,000            | 49,000            | 49,000            | 0.0%          |
| 7320                            | PlanCon                                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | —             |
| 7340                            | Property Tax Reduction                  | 487,398           | 487,398           | 487,398           | 487,398           | 487,398           | 487,398           | 487,398           | 487,398           | 487,398           | 487,398           | 487,398           | 0.0%          |
| 7360                            | Safe Schools Grant                      | 25,000            | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | (100.0%)      |
| 7505                            | Ready to Learn Block Grant              | 119,607           | 119,607           | 119,607           | 119,607           | 119,607           | 119,607           | 119,607           | 119,607           | 119,607           | 119,607           | 119,607           | 0.0%          |
| 75XX                            | Supplemental Ready to Learn Block Grant | 0                 | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | —             |
| 7800                            | PSERS Reimbursement                     | 1,566,468         | 1,613,462         | 675,505           | 682,796           | 694,564           | 704,304           | 719,539           | 734,735           | 750,195           | 765,921           | 781,915           | (6.7%)        |
| 7XXX                            | Other State Revenue                     | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            | 0.0%          |
| <b>State Sources Subtotal</b>   |   | <b>6,839,532</b>  | <b>8,020,705</b>  | <b>6,969,183</b>  | <b>7,060,340</b>  | <b>7,154,597</b>  | <b>7,243,741</b>  | <b>7,340,803</b>  | <b>7,438,295</b>  | <b>7,536,411</b>  | <b>7,635,168</b>  | <b>7,734,580</b>  | <b>1.2%</b>   |
| <b>Federal Sources</b>          |   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |               |
| 8514                            | Title I                                 | 229,499           | 234,089           | 238,771           | 243,546           | 248,417           | 253,385           | 258,453           | 263,622           | 268,895           | 274,273           | 279,758           | 2.0%          |
| 8515                            | Title II                                | 34,401            | 35,089            | 35,791            | 36,507            | 37,237            | 37,981            | 38,741            | 39,516            | 40,306            | 41,112            | 41,935            | 2.0%          |
| 8516                            | Title III                               | 13,506            | 13,776            | 14,052            | 14,333            | 14,619            | 14,912            | 15,210            | 15,514            | 15,824            | 16,141            | 16,464            | 2.0%          |
| 8517                            | Title IV                                | 816,847           | 833,184           | 849,848           | 866,845           | 884,181           | 901,865           | 919,902           | 938,300           | 957,066           | 976,208           | 995,732           | 2.0%          |
| 8740                            | Other CARES Act                         | 112,000           | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | (100.0%)      |
| 8741                            | ESSER I                                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | —             |
| 8743                            | ESSER II                                | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | —             |
| 8744                            | ARP ESSER                               | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | —             |
| 8750                            | ESSER Set-Asides                        | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | —             |
| 8810                            | Medicaid ACCESS                         | 200,000           | 204,000           | 208,080           | 212,242           | 216,486           | 220,816           | 225,232           | 229,737           | 234,332           | 239,019           | 243,799           | 2.0%          |
| 8XXX                            | Other Federal Revenue                   | 127,000           | 129,540           | 132,131           | 134,773           | 137,469           | 140,218           | 143,023           | 145,883           | 148,801           | 151,777           | 154,812           | 2.0%          |
| <b>Federal Sources Subtotal</b> |   | <b>1,533,253</b>  | <b>1,449,678</b>  | <b>1,478,672</b>  | <b>1,508,245</b>  | <b>1,538,410</b>  | <b>1,569,178</b>  | <b>1,600,562</b>  | <b>1,632,573</b>  | <b>1,665,224</b>  | <b>1,698,529</b>  | <b>1,732,499</b>  | <b>1.2%</b>   |
| <b>TOTAL REVENUES</b>           |   | <b>23,145,701</b> | <b>24,701,285</b> | <b>24,240,097</b> | <b>24,959,265</b> | <b>25,704,863</b> | <b>25,824,776</b> | <b>26,292,581</b> | <b>26,803,536</b> | <b>27,324,164</b> | <b>27,854,678</b> | <b>28,395,295</b> | <b>2.1%</b>   |
| <b>EXPENDITURES</b>             |   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |               |
| 110                             | Administrators                          | 762,500           | 785,375           | 598,878           | 616,844           | 635,350           | 654,410           | 674,043           | 694,264           | 715,092           | 736,544           | 758,641           | (0.1%)        |
| 122                             | Substitutes                             | 100,000           | 103,000           | 106,090           | 109,273           | 112,551           | 115,927           | 119,405           | 122,987           | 126,677           | 130,477           | 134,392           | 3.0%          |
| 120                             | Teachers                                | 6,326,103         | 6,515,887         | 2,234,612         | 2,301,651         | 2,370,700         | 2,441,821         | 2,515,076         | 2,590,528         | 2,668,244         | 2,748,291         | 2,830,740         | (7.7%)        |
| 130                             | Professional                            | 362,709           | 373,590           | 221,250           | 227,888           | 234,724           | 241,766           | 249,019           | 256,490           | 264,184           | 272,110           | 280,273           | (2.5%)        |
| 140                             | Technical                               | 229,527           | 236,413           | 243,505           | 250,811           | 258,335           | 266,085           | 274,068           | 282,290           | 290,758           | 299,481           | 308,465           | 3.0%          |
| 150                             | Clerical                                | 608,994           | 627,264           | 601,778           | 619,831           | 638,426           | 657,579           | 677,306           | 697,625           | 718,554           | 740,110           | 762,314           | 2.3%          |
| 160                             | Maintenance                             | 51,499            | 53,044            | 54,635            | 56,274            | 57,962            | 59,701            | 61,492            | 63,337            | 65,237            | 67,194            | 69,210            | 3.0%          |
| 180                             | Custodians                              | 311,035           | 320,366           | 186,779           | 192,382           | 198,154           | 164,979           | 169,928           | 175,026           | 180,277           | 185,685           | 191,256           | (4.7%)        |
| 190                             | Instructional Assistant                 | 707,582           | 728,809           | 180,162           | 185,566           | 191,133           | 196,867           | 202,773           | 208,857           | 215,122           | 221,576           | 228,223           | (10.7%)       |
| <b>Salaries Subtotal</b>        |   | <b>9,459,949</b>  | <b>9,743,747</b>  | <b>4,427,689</b>  | <b>4,560,520</b>  | <b>4,697,335</b>  | <b>4,799,136</b>  | <b>4,943,110</b>  | <b>5,091,403</b>  | <b>5,244,146</b>  | <b>5,401,470</b>  | <b>5,563,514</b>  | <b>(5.2%)</b> |
| <b>Benefits</b>                 |   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |               |
| 230                             | PSERS                                   | 3,138,186         | 3,477,543         | 1,592,079         | 1,660,783         | 1,724,674         | 1,768,255         | 1,830,678         | 1,895,763         | 1,963,106         | 2,032,783         | 2,104,874         | (3.9%)        |
| 210/270                         | Health Insurance                        | 1,570,027         | 1,632,828         | 635,144           | 661,579           | 689,072           | 702,789           | 731,966           | 762,311           | 793,869           | 826,689           | 860,822           | (5.8%)        |
| 220                             | Social Security                         | 716,199           | 737,685           | 330,776           | 340,699           | 350,920           | 358,455           | 369,208           | 380,285           | 391,693           | 403,444           | 415,547           | (5.3%)        |
| 250-A                           | Ongoing Unemployment                    | 0                 | 10,000            | 4,646             | 4,786             | 4,929             | 5,036             | 5,188             | 5,343             | 5,504             | 5,669             | 5,839             | —             |
| 250-B                           | One-Time Unemployment                   | 0                 | 0                 | 1,104,480         | 0                 | 0                 | 9,880             | 0                 | 0                 | 0                 | 0                 | 0                 | —             |
| 260                             | Workers' Compensation                   | 67,923            | 69,961            | 72,060            | 60,641            | 48,473            | 35,520            | 36,488            | 37,482            | 38,503            | 39,658            | 40,848            | (5.0%)        |
| 2XX                             | Other Benefits                          | 0                 | 50,000            | 13,849            | 14,333            | 14,763            | 15,206            | 15,556            | 15,914            | 16,280            | 16,654            | 17,037            | —             |
| <b>Benefits Subtotal</b>        |   | <b>5,492,335</b>  | <b>5,978,018</b>  | <b>3,753,033</b>  | <b>2,742,822</b>  | <b>2,832,832</b>  | <b>2,895,141</b>  | <b>2,989,084</b>  | <b>3,097,097</b>  | <b>3,208,954</b>  | <b>3,324,897</b>  | <b>3,444,967</b>  | <b>(4.6%)</b> |
| <b>Personnel Costs Subtotal</b> |   | <b>14,952,284</b> | <b>15,721,765</b> | <b>8,180,722</b>  | <b>7,303,341</b>  | <b>7,530,167</b>  | <b>7,694,277</b>  | <b>7,932,194</b>  | <b>8,188,501</b>  | <b>8,453,099</b>  | <b>8,726,367</b>  | <b>9,008,481</b>  | <b>(4.9%)</b> |

|                            | 2022-23                             | 2023-24            | 2024-25            | 2025-26            | 2026-27            | 2027-28           | 2028-29           | 2029-30           | 2030-31           | 2031-32           | 2032-33           | CAGR              |              |
|----------------------------|-------------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------|
|                            | Budget                              | Projected          | Projected          | Projected          | Projected          | Projected         | Projected         | Projected         | Projected         | Projected         | Projected         | 22-23 to 32-33    |              |
| <b>Tuition</b>             |                                     |                    |                    |                    |                    |                   |                   |                   |                   |                   |                   |                   |              |
| 560                        | Other Tuition                       | 143,200            | 148,212            | 153,399            | 158,768            | 163,531           | 168,437           | 172,311           | 176,275           | 180,329           | 184,477           | 188,719           | 2.8%         |
| 561-A                      | Tuition to Other LEA's              | 560,170            | 579,776            | 600,068            | 621,070            | 639,703           | 658,894           | 674,048           | 689,551           | 705,411           | 721,635           | 738,233           | 2.8%         |
| 561-B                      | Tuition to Pennsbury                | 0                  | 0                  | 8,014,663          | 8,193,068          | 8,495,648         | 8,808,331         | 9,136,822         | 9,138,767         | 9,454,184         | 9,731,481         | 10,017,184        | —            |
| 562                        | Charter School Tuition              | 904,000            | 1,308,471          | 1,388,723          | 1,378,929          | 1,157,144         | 1,007,626         | 843,860           | 685,888           | 671,931           | 674,516           | 675,515           | (2.9%)       |
| 564                        | Tuition to BCTHS                    | 741,206            | 798,077            | 829,627            | 857,453            | 882,107           | 907,467           | 927,557           | 948,068           | 969,012           | 990,609           | 1,012,544         | 3.2%         |
|                            | <b>Tuition Subtotal</b>             | <b>2,348,576</b>   | <b>2,834,536</b>   | <b>10,986,481</b>  | <b>11,209,288</b>  | <b>11,338,133</b> | <b>11,550,755</b> | <b>11,754,598</b> | <b>11,638,549</b> | <b>11,980,866</b> | <b>12,302,717</b> | <b>12,632,195</b> | <b>18.3%</b> |
| <b>Non-Personnel Costs</b> |                                     |                    |                    |                    |                    |                   |                   |                   |                   |                   |                   |                   |              |
| 322                        | IU Services                         | 2,363,251          | 2,445,965          | 2,531,574          | 2,620,179          | 2,698,784         | 2,779,748         | 2,843,682         | 2,909,086         | 2,975,995         | 3,044,443         | 3,114,465         | 2.8%         |
| 3XX                        | Professional Services               | 796,042            | 823,903            | 730,085            | 755,638            | 778,307           | 801,656           | 820,094           | 838,956           | 858,252           | 877,992           | 898,186           | 1.2%         |
| 430                        | Repairs and Maintenance             | 81,700             | 84,560             | 1,018              | 1,053              | 1,085             | 1,117             | 1,143             | 1,169             | 1,196             | 1,224             | 1,252             | (34.2%)      |
| 440                        | Rentals                             | 11,000             | 11,385             | 11,783             | 12,196             | 12,562            | 12,939            | 13,236            | 13,541            | 13,852            | 14,171            | 14,497            | 2.8%         |
| 4XX                        | Property Services                   | 191,000            | 197,685            | 204,604            | 211,765            | 218,118           | 89,159            | 91,210            | 93,307            | 95,453            | 97,649            | 99,895            | (6.3%)       |
| 510                        | Transportation                      | 102,000            | 105,570            | 39,635             | 41,023             | 42,253            | 43,521            | 44,522            | 45,546            | 46,593            | 47,665            | 48,761            | (7.1%)       |
| 516                        | IU Transportation                   | 580,000            | 600,300            | 621,311            | 643,056            | 662,348           | 682,219           | 697,910           | 713,961           | 730,383           | 747,181           | 764,367           | 2.8%         |
| 520                        | General Insurance                   | 98,000             | 101,430            | 104,980            | 108,654            | 111,914           | 115,271           | 117,923           | 120,635           | 123,409           | 126,248           | 129,152           | 2.8%         |
| 530                        | Communications                      | 22,600             | 23,391             | 24,210             | 25,057             | 25,809            | 26,583            | 27,194            | 27,820            | 28,460            | 29,114            | 29,784            | 2.8%         |
| 5XX                        | Other Purchased Services            | 46,440             | 48,065             | 36,036             | 37,297             | 38,416            | 39,569            | 40,479            | 41,410            | 42,362            | 43,337            | 44,333            | (0.5%)       |
| 610                        | Supplies                            | 234,188            | 351,060            | 101,730            | 105,989            | 109,467           | 113,055           | 115,329           | 117,634           | 119,972           | 122,340           | 124,739           | (6.1%)       |
| 620-A                      | Building Utilities                  | 52,000             | 53,820             | 55,704             | 57,653             | 59,383            | 6,116             | 6,257             | 6,401             | 6,548             | 6,699             | 6,853             | (18.3%)      |
| 620-B                      | Gasoline - Vans                     | 5,000              | 5,175              | 5,356              | 5,544              | 5,710             | 5,881             | 6,016             | 6,155             | 6,296             | 6,441             | 6,589             | 2.8%         |
| 640                        | Books                               | 14,025             | 14,516             | 15,024             | 15,550             | 16,016            | 16,497            | 16,876            | 17,264            | 17,661            | 18,068            | 18,483            | 2.8%         |
| 648                        | Technology Supplies                 | 77,900             | 189,302            | 56,261             | 61,046             | 64,996            | 69,070            | 71,742            | 74,456            | 77,210            | 80,005            | 82,841            | 0.6%         |
| 700                        | Property                            | 83,951             | 86,889             | 89,930             | 93,078             | 95,870            | 98,746            | 101,018           | 103,341           | 105,718           | 108,149           | 110,637           | 2.8%         |
|                            | <b>Non-Personnel Costs Subtotal</b> | <b>4,759,097</b>   | <b>5,143,015</b>   | <b>4,629,240</b>   | <b>4,794,778</b>   | <b>4,941,038</b>  | <b>4,901,147</b>  | <b>5,014,631</b>  | <b>5,130,683</b>  | <b>5,249,362</b>  | <b>5,370,726</b>  | <b>5,494,834</b>  | <b>1.4%</b>  |
| <b>Other Expenditures</b>  |                                     |                    |                    |                    |                    |                   |                   |                   |                   |                   |                   |                   |              |
| 800/900                    | Debt Service                        | 839,476            | 896,288            | 984,611            | 984,367            | 985,513           | 985,069           | 984,192           | 984,697           | 983,630           | 984,062           | 983,892           | 1.6%         |
| 810                        | Dues and Fees                       | 39,225             | 39,225             | 29,225             | 29,225             | 29,225            | 29,225            | 29,225            | 29,225            | 29,225            | 29,225            | 29,225            | (2.9%)       |
| 8XX                        | Other Objects                       | 0                  | 0                  | 0                  | 0                  | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | —            |
| 930                        | Fund Transfers                      | 59,200             | 0                  | 0                  | 0                  | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | (100.0%)     |
|                            | <b>Other Expenditures Subtotal</b>  | <b>937,901</b>     | <b>935,513</b>     | <b>1,013,836</b>   | <b>1,013,592</b>   | <b>1,014,738</b>  | <b>1,014,294</b>  | <b>1,013,417</b>  | <b>1,013,922</b>  | <b>1,012,855</b>  | <b>1,013,287</b>  | <b>1,013,117</b>  | <b>0.8%</b>  |
|                            | <b>TOTAL EXPENDITURES</b>           | <b>22,997,858</b>  | <b>24,634,830</b>  | <b>24,810,279</b>  | <b>24,320,999</b>  | <b>24,824,076</b> | <b>25,160,474</b> | <b>25,714,840</b> | <b>25,971,655</b> | <b>26,696,183</b> | <b>27,413,097</b> | <b>28,148,628</b> | <b>2.0%</b>  |
|                            | <b>Operating Result</b>             | <b>147,843</b>     | <b>66,455</b>      | <b>(570,182)</b>   | <b>638,266</b>     | <b>880,788</b>    | <b>664,302</b>    | <b>577,740</b>    | <b>831,881</b>    | <b>627,981</b>    | <b>441,581</b>    | <b>246,668</b>    | <b>5.3%</b>  |
|                            | <b>Ending Fund Balance</b>          | <b>(1,458,741)</b> | <b>(1,392,286)</b> | <b>(1,962,468)</b> | <b>(1,324,202)</b> | <b>(443,415)</b>  | <b>220,887</b>    | <b>798,628</b>    | <b>1,630,508</b>  | <b>2,258,490</b>  | <b>2,700,071</b>  | <b>2,946,738</b>  | <b>—</b>     |

## Pennsbury School District Scenario 3: Tuition Grades 6 to 12



|  | 2022-23<br>Budget | 2023-24<br>Projected | 2024-25<br>Projected | 2025-26<br>Projected | 2026-27<br>Projected | 2027-28<br>Projected | 2028-29<br>Projected | 2029-30<br>Projected | 2030-31<br>Projected | 2031-32<br>Projected | 2032-33<br>Projected | CAGR<br>22-23 to 32-33 |
|--|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
|--|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|

### SUMMARY

#### REVENUES

|   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |               |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------|
| Current and Interim Real Estate Taxes   | 157,533,686        | 163,341,042        | 169,355,780        | 175,585,303        | 182,037,283        | 188,719,663        | 195,640,670        | 202,808,827        | 209,395,120        | 216,190,065        | 223,200,275        | 3.5%          |
| Real Estate Transfer Taxes              | 3,237,276          | 3,256,700          | 3,276,240          | 3,295,897          | 3,315,673          | 3,335,567          | 3,355,580          | 3,375,714          | 3,395,968          | 3,416,344          | 3,436,842          | 0.6%          |
| Delinquent Real Estate Taxes            | 2,951,058          | 2,610,078          | 2,710,016          | 2,813,447          | 2,920,494          | 3,031,284          | 3,145,950          | 3,264,628          | 3,374,089          | 3,486,951          | 3,603,318          | 2.0%          |
| Tuition from Morrisville                | 0                  | 0                  | 5,780,973          | 5,912,888          | 6,130,181          | 6,354,381          | 6,588,744          | 6,512,771          | 6,731,453          | 6,930,493          | 7,135,598          | —             |
| Other Local Revenue                     | 6,307,414          | 6,339,879          | 6,373,252          | 6,407,560          | 6,442,829          | 6,479,085          | 6,516,357          | 6,554,672          | 6,588,433          | 6,623,004          | 6,658,405          | 0.5%          |
| <b>Local Sources</b>                    | <b>170,029,434</b> | <b>175,547,699</b> | <b>187,496,261</b> | <b>194,015,096</b> | <b>200,846,459</b> | <b>207,919,980</b> | <b>215,247,301</b> | <b>222,516,611</b> | <b>229,485,063</b> | <b>236,646,857</b> | <b>244,034,438</b> | <b>3.7%</b>   |
| Basic Education Funding                 | 18,073,634         | 18,791,383         | 19,224,475         | 19,657,566         | 20,090,658         | 20,523,749         | 20,956,841         | 21,389,933         | 21,823,024         | 22,256,116         | 22,689,207         | 2.3%          |
| Special Education Funding               | 5,809,103          | 6,410,578          | 6,562,982          | 6,715,386          | 6,867,790          | 7,020,195          | 7,172,599          | 7,325,003          | 7,477,407          | 7,629,811          | 7,782,216          | 3.0%          |
| State Reimbursements                    | 23,075,004         | 24,020,348         | 25,588,096         | 26,564,212         | 27,473,349         | 28,304,800         | 29,203,755         | 30,005,993         | 30,965,521         | 31,949,261         | 32,964,241         | 3.6%          |
| Supplemental Ready to Learn Block Grant | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | —             |
| Other State Revenue                     | 10,820,962         | 10,807,652         | 9,743,557          | 9,850,185          | 9,746,502          | 9,746,403          | 9,746,471          | 9,746,042          | 9,464,505          | 9,477,032          | 9,374,334          | (1.4%)        |
| <b>State Sources</b>                    | <b>57,778,703</b>  | <b>60,029,961</b>  | <b>61,119,110</b>  | <b>62,787,349</b>  | <b>64,178,298</b>  | <b>65,595,146</b>  | <b>67,079,665</b>  | <b>68,466,970</b>  | <b>69,730,457</b>  | <b>71,312,221</b>  | <b>72,809,999</b>  | <b>2.3%</b>   |
| <b>Federal Sources</b>                  | <b>5,036,960</b>   | <b>2,328,860</b>   | <b>2,375,437</b>   | <b>2,422,946</b>   | <b>2,471,405</b>   | <b>2,520,833</b>   | <b>2,571,250</b>   | <b>2,622,675</b>   | <b>2,675,128</b>   | <b>2,728,631</b>   | <b>2,783,203</b>   | <b>(5.8%)</b> |
| <b>Other Funding Sources</b>            | <b>0</b>           | <b>—</b>      |
| <b>Total Revenues</b>                   | <b>232,845,097</b> | <b>237,906,520</b> | <b>250,990,808</b> | <b>259,225,391</b> | <b>267,496,163</b> | <b>276,035,959</b> | <b>284,898,216</b> | <b>293,606,256</b> | <b>301,890,648</b> | <b>310,687,708</b> | <b>319,627,640</b> | <b>3.2%</b>   |
| Check                                   | TRUE               |               |

#### EXPENDITURES

|                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |             |
|---------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------|
| Salaries                  | 107,430,139        | 110,336,577        | 116,649,773        | 119,837,330        | 123,101,799        | 126,457,333        | 129,919,628        | 132,894,627        | 136,536,808        | 140,253,155        | 144,073,404        | 3.0%        |
| Benefits                  | 63,866,060         | 66,446,917         | 71,021,874         | 73,753,262         | 76,373,436         | 78,872,509         | 81,516,954         | 83,915,664         | 86,745,141         | 89,658,296         | 92,670,708         | 3.8%        |
| Charter School Tuition    | 6,875,078          | 7,107,670          | 7,122,181          | 7,294,904          | 7,288,999          | 7,252,458          | 7,462,407          | 7,680,794          | 7,876,342          | 8,106,225          | 8,343,014          | 2.0%        |
| Debt Service              | 15,857,474         | 17,082,977         | 17,389,255         | 18,451,602         | 18,933,465         | 20,248,239         | 21,639,951         | 22,409,347         | 22,163,976         | 22,166,936         | 22,175,098         | 3.4%        |
| Other Expenditures        | 40,053,626         | 37,538,991         | 39,403,988         | 40,998,427         | 42,267,439         | 43,519,138         | 44,501,673         | 45,524,951         | 46,543,188         | 47,587,423         | 48,653,273         | 2.0%        |
| <b>Total Expenditures</b> | <b>234,082,377</b> | <b>238,513,132</b> | <b>251,587,071</b> | <b>260,335,526</b> | <b>267,965,138</b> | <b>276,349,677</b> | <b>285,040,613</b> | <b>292,425,383</b> | <b>299,865,456</b> | <b>307,772,035</b> | <b>315,915,496</b> | <b>3.0%</b> |
| Check                     | TRUE               |             |

|                         |                    |                  |                  |                    |                  |                  |                  |                  |                  |                  |                  |          |
|-------------------------|--------------------|------------------|------------------|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------|
| <b>Operating Result</b> | <b>(1,237,280)</b> | <b>(606,613)</b> | <b>(596,263)</b> | <b>(1,110,135)</b> | <b>(468,975)</b> | <b>(313,718)</b> | <b>(142,397)</b> | <b>1,180,873</b> | <b>2,025,192</b> | <b>2,915,673</b> | <b>3,712,144</b> | <b>—</b> |
|-------------------------|--------------------|------------------|------------------|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------|

|                            |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |             |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|
| <b>Ending Fund Balance</b> | <b>17,333,821</b> | <b>16,727,208</b> | <b>16,130,945</b> | <b>15,020,811</b> | <b>14,551,836</b> | <b>14,238,118</b> | <b>14,095,720</b> | <b>15,276,593</b> | <b>17,301,786</b> | <b>20,217,459</b> | <b>23,929,603</b> | <b>3.3%</b> |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|

|                                       |        |        |        |        |        |        |        |      |      |      |      |  |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|------|------|------|------|--|
| Operating Result as % of Expenditures | (0.5%) | (0.3%) | (0.2%) | (0.4%) | (0.2%) | (0.1%) | (0.0%) | 0.4% | 0.7% | 0.9% | 1.2% |  |
| Fund Balance as % of Expenditures     | 7.4%   | 7.0%   | 6.4%   | 5.8%   | 5.4%   | 5.2%   | 4.9%   | 5.2% | 5.8% | 6.6% | 7.6% |  |

#### REVENUES

##### Local Sources

|                                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |             |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------|
| 6111 Real Estate Taxes            | 157,533,686        | 163,341,042        | 169,355,780        | 175,585,303        | 182,037,283        | 188,719,663        | 195,640,670        | 202,808,827        | 209,395,120        | 216,190,065        | 223,200,275        | 3.5%        |
| 6114 PILOTs                       | 1,159,451          | 1,191,916          | 1,225,289          | 1,259,597          | 1,294,866          | 1,331,122          | 1,368,394          | 1,406,709          | 1,440,470          | 1,475,041          | 1,510,442          | 2.7%        |
| 6153 Real Estate Transfer Taxes   | 3,237,276          | 3,256,700          | 3,276,240          | 3,295,897          | 3,315,673          | 3,335,567          | 3,355,580          | 3,375,714          | 3,395,968          | 3,416,344          | 3,436,842          | 0.6%        |
| 6411 Delinquent Real Estate Taxes | 2,951,058          | 2,610,078          | 2,710,016          | 2,813,447          | 2,920,494          | 3,031,284          | 3,145,950          | 3,264,628          | 3,374,089          | 3,486,951          | 3,603,318          | 2.0%        |
| 6500 Earnings on Investments      | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 1,566,792          | 0.0%        |
| 6830 Federal Pass Through         | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 2,157,830          | 0.0%        |
| 6910 Rentals                      | 350,000            | 350,000            | 350,000            | 350,000            | 350,000            | 350,000            | 350,000            | 350,000            | 350,000            | 350,000            | 350,000            | 0.0%        |
| 6920 Local Contributions          | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 500,000            | 0.0%        |
| 6940-A Tuition from Other LEA's   | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | —           |
| 6940-B Tuition from Morrisville   | 0                  | 0                  | 5,780,973          | 5,912,888          | 6,130,181          | 6,354,381          | 6,588,744          | 6,512,771          | 6,731,453          | 6,930,493          | 7,135,598          | —           |
| 6XXX Other Local Revenues         | 573,341            | 573,341            | 573,341            | 573,341            | 573,341            | 573,341            | 573,341            | 573,341            | 573,341            | 573,341            | 573,341            | 0.0%        |
| <b>Local Sources Subtotal</b>     | <b>170,029,434</b> | <b>175,547,699</b> | <b>187,496,261</b> | <b>194,015,096</b> | <b>200,846,459</b> | <b>207,919,980</b> | <b>215,247,301</b> | <b>222,516,611</b> | <b>229,485,063</b> | <b>236,646,857</b> | <b>244,034,438</b> | <b>3.7%</b> |

|                                 | 2022-23<br>Budget  | 2023-24<br>Projected | 2024-25<br>Projected | 2025-26<br>Projected | 2026-27<br>Projected | 2027-28<br>Projected | 2028-29<br>Projected | 2029-30<br>Projected | 2030-31<br>Projected | 2031-32<br>Projected | 2032-33<br>Projected | CAGR<br>22-23 to 32-33 |
|---------------------------------|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| <b>State Sources</b>            |                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                        |
| 7111                            | 18,073,634         | 18,791,383           | 19,224,475           | 19,657,566           | 20,090,658           | 20,523,749           | 20,956,841           | 21,389,933           | 21,823,024           | 22,256,116           | 22,689,207           | 2.3%                   |
| 7160                            | 100,000            | 100,000              | 100,000              | 100,000              | 100,000              | 100,000              | 100,000              | 100,000              | 100,000              | 100,000              | 100,000              | 0.0%                   |
| 7271                            | 5,809,103          | 6,410,578            | 6,562,982            | 6,715,386            | 6,867,790            | 7,020,195            | 7,172,599            | 7,325,003            | 7,477,407            | 7,629,811            | 7,782,216            | 3.0%                   |
| 7292                            | 787,500            | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 787,500              | 0.0%                   |
| 7310                            | 1,653,902          | 1,653,902            | 1,653,902            | 1,750,906            | 1,750,906            | 1,750,906            | 1,750,906            | 1,750,906            | 1,762,688            | 1,762,688            | 1,762,688            | 0.6%                   |
| 7320                            | 1,850,000          | 1,836,690            | 772,595              | 782,219              | 678,536              | 678,437              | 678,505              | 678,076              | 384,757              | 397,284              | 294,586              | (16.8%)                |
| 7340                            | 5,240,827          | 5,240,827            | 5,240,827            | 5,240,827            | 5,240,827            | 5,240,827            | 5,240,827            | 5,240,827            | 5,240,827            | 5,240,827            | 5,240,827            | 0.0%                   |
| 7505                            | 783,733            | 783,733              | 783,733              | 783,733              | 783,733              | 783,733              | 783,733              | 783,733              | 783,733              | 783,733              | 783,733              | 0.0%                   |
| 75XX                            | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | —                      |
| 7599                            | 205,000            | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 205,000              | 0.0%                   |
| 7810                            | 4,113,814          | 4,239,860            | 4,482,455            | 4,604,942            | 4,730,385            | 4,859,326            | 4,992,371            | 5,106,690            | 5,246,646            | 5,389,453            | 5,536,252            | 3.0%                   |
| 7820                            | 18,961,190         | 19,780,488           | 21,105,641           | 21,959,270           | 22,742,964           | 23,445,473           | 24,211,384           | 24,899,303           | 25,718,874           | 26,559,808           | 27,427,989           | 3.8%                   |
| 7000                            | 200,000            | 200,000              | 200,000              | 200,000              | 200,000              | 200,000              | 200,000              | 200,000              | 200,000              | 200,000              | 200,000              | 0.0%                   |
| <b>State Sources Subtotal</b>   | <b>57,778,703</b>  | <b>60,029,961</b>    | <b>61,119,110</b>    | <b>62,787,349</b>    | <b>64,178,298</b>    | <b>65,595,146</b>    | <b>67,079,665</b>    | <b>68,466,970</b>    | <b>69,730,457</b>    | <b>71,312,221</b>    | <b>72,809,999</b>    | <b>2.3%</b>            |
| <b>Federal Sources</b>          |                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                        |
| 8514                            | 904,235            | 922,320              | 940,766              | 959,581              | 978,773              | 998,349              | 1,018,315            | 1,038,682            | 1,059,455            | 1,080,645            | 1,102,257            | 2.0%                   |
| 8515                            | 200,787            | 204,803              | 208,899              | 213,077              | 217,338              | 221,685              | 226,119              | 230,641              | 235,254              | 239,959              | 244,758              | 2.0%                   |
| 8516                            | 44,889             | 45,787               | 46,703               | 47,637               | 48,589               | 49,561               | 50,552               | 51,563               | 52,595               | 53,647               | 54,719               | 2.0%                   |
| 8517                            | 53,285             | 54,351               | 55,438               | 56,546               | 57,677               | 58,831               | 60,008               | 61,208               | 62,432               | 63,681               | 64,954               | 2.0%                   |
| 8740                            | 2,647,764          | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | (100.0%)               |
| 8741                            | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | —                      |
| 8743                            | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | —                      |
| 8744                            | 106,000            | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | (100.0%)               |
| 8750                            | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    | —                      |
| 8800                            | 1,040,000          | 1,060,800            | 1,082,016            | 1,103,656            | 1,125,729            | 1,148,244            | 1,171,209            | 1,194,633            | 1,218,526            | 1,242,896            | 1,267,754            | 2.0%                   |
| 8XXX                            | 40,000             | 40,800               | 41,616               | 42,448               | 43,297               | 44,163               | 45,046               | 45,947               | 46,866               | 47,804               | 48,760               | 2.0%                   |
| <b>Federal Sources Subtotal</b> | <b>5,036,960</b>   | <b>2,328,860</b>     | <b>2,375,437</b>     | <b>2,422,946</b>     | <b>2,471,405</b>     | <b>2,520,833</b>     | <b>2,571,250</b>     | <b>2,622,675</b>     | <b>2,675,128</b>     | <b>2,728,631</b>     | <b>2,783,203</b>     | <b>(5.8%)</b>          |
| <b>TOTAL REVENUES</b>           | <b>232,845,097</b> | <b>237,906,520</b>   | <b>250,990,808</b>   | <b>259,225,391</b>   | <b>267,496,163</b>   | <b>276,035,959</b>   | <b>284,898,216</b>   | <b>293,606,256</b>   | <b>301,890,648</b>   | <b>310,687,708</b>   | <b>319,627,640</b>   | <b>3.2%</b>            |
| <b>EXPENDITURES</b>             |                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                        |
| 110                             | 7,144,721          | 7,287,615            | 7,433,368            | 7,582,035            | 7,733,676            | 7,888,349            | 8,046,116            | 8,207,039            | 8,371,179            | 8,538,603            | 8,709,375            | 2.0%                   |
| 122                             | 429,745            | 438,340              | 447,107              | 456,049              | 465,170              | 474,473              | 483,963              | 493,642              | 503,515              | 513,585              | 523,857              | 2.0%                   |
| 123                             | 2,075,102          | 2,137,355            | 2,201,476            | 2,267,520            | 2,335,546            | 2,405,612            | 2,477,780            | 2,552,114            | 2,628,677            | 2,707,537            | 2,788,764            | 3.0%                   |
| 120                             | 73,708,459         | 75,919,713           | 80,925,681           | 83,353,451           | 85,854,054           | 88,429,676           | 91,082,566           | 93,202,862           | 95,998,948           | 98,878,917           | 101,845,284          | 3.3%                   |
| 1XX                             | 278,181            | 283,745              | 289,420              | 295,208              | 301,112              | 307,134              | 313,277              | 319,543              | 325,933              | 332,452              | 339,101              | 2.0%                   |
| 1X2                             | 426,912            | 435,450              | 444,159              | 453,042              | 462,103              | 471,345              | 480,772              | 490,388              | 500,195              | 510,199              | 520,403              | 2.0%                   |
| 1X3                             | 553,515            | 564,585              | 575,877              | 587,395              | 599,142              | 611,125              | 623,348              | 635,815              | 648,531              | 661,502              | 674,732              | 2.0%                   |
| 130                             | 232,777            | 237,433              | 242,181              | 247,025              | 251,965              | 257,005              | 262,145              | 267,388              | 272,735              | 278,190              | 283,754              | 2.0%                   |
| 150                             | 5,162,149          | 5,265,392            | 5,370,700            | 5,478,114            | 5,587,676            | 5,699,430            | 5,813,418            | 5,929,687            | 6,048,280            | 6,169,246            | 6,292,631            | 2.0%                   |
| 160                             | 2,637,636          | 2,690,389            | 2,744,196            | 2,799,080            | 2,855,062            | 2,912,163            | 2,970,407            | 3,029,815            | 3,090,411            | 3,152,219            | 3,215,264            | 2.0%                   |
| 170                             | 2,581,593          | 2,633,225            | 2,950,891            | 3,020,241            | 3,085,689            | 3,152,531            | 3,226,599            | 3,300,305            | 3,409,402            | 3,477,592            | 3,547,146            | 3.2%                   |
| 180                             | 4,446,652          | 4,535,585            | 4,626,297            | 4,718,823            | 4,813,199            | 4,909,463            | 5,007,652            | 5,107,805            | 5,209,962            | 5,314,161            | 5,420,444            | 2.0%                   |
| 190                             | 7,752,697          | 7,907,751            | 8,398,422            | 8,579,348            | 8,757,404            | 8,939,026            | 9,131,584            | 9,328,227            | 9,529,039            | 9,718,952            | 9,912,650            | 2.5%                   |
| <b>Salaries Subtotal</b>        | <b>107,430,139</b> | <b>110,336,577</b>   | <b>116,649,773</b>   | <b>119,837,330</b>   | <b>123,101,799</b>   | <b>126,457,333</b>   | <b>129,919,628</b>   | <b>132,894,627</b>   | <b>136,536,808</b>   | <b>140,253,155</b>   | <b>144,073,404</b>   | <b>3.0%</b>            |

|                                     | 2022-23                        | 2023-24            | 2024-25            | 2025-26            | 2026-27            | 2027-28            | 2028-29            | 2029-30            | 2030-31            | 2031-32            | 2032-33            | CAGR               |             |
|-------------------------------------|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------|
|                                     | Budget                         | Projected          | 22-23 to 32-33     |             |
| <b>Benefits</b>                     |                                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |             |
| 230                                 | PSERS                          | 37,748,061         | 39,379,124         | 42,017,248         | 43,716,658         | 45,276,842         | 46,675,401         | 48,200,182         | 49,569,696         | 51,201,303         | 52,875,439         | 54,603,820         | 3.8%        |
| 210/270                             | Health Insurance               | 12,438,233         | 12,935,762         | 14,156,402         | 14,718,913         | 15,303,857         | 15,913,978         | 16,548,503         | 17,130,357         | 17,813,735         | 18,524,448         | 19,263,590         | 4.5%        |
| 220                                 | Social Security                | 8,189,814          | 8,440,748          | 8,923,708          | 9,167,556          | 9,417,288          | 9,673,986          | 9,938,852          | 10,166,439         | 10,445,066         | 10,729,366         | 11,021,615         | 3.0%        |
| 276                                 | Prescriptions                  | 3,102,086          | 3,226,169          | 3,355,216          | 3,489,425          | 3,629,002          | 3,774,162          | 3,925,128          | 4,082,134          | 4,245,419          | 4,415,236          | 4,591,845          | 4.0%        |
| 2XX                                 | Other Benefits                 | 952,738            | 986,084            | 1,042,109          | 1,078,583          | 1,110,940          | 1,144,269          | 1,170,587          | 1,193,790          | 1,221,248          | 1,249,336          | 1,278,071          | 3.0%        |
| 260                                 | Workers' Compensation          | 766,500            | 787,237            | 808,551            | 838,606            | 869,783            | 902,121            | 926,814            | 948,006            | 973,980            | 1,000,494          | 1,027,749          | 3.0%        |
| 212                                 | Dental Insurance               | 587,520            | 608,083            | 629,366            | 651,394            | 670,936            | 691,064            | 706,958            | 723,218            | 739,852            | 756,869            | 774,277            | 2.8%        |
| 215                                 | Vision Insurance               | 51,108             | 52,897             | 56,703             | 58,668             | 60,418             | 62,221             | 63,656             | 64,920             | 66,417             | 67,948             | 69,516             | 3.1%        |
| 250-A                               | Ongoing Unemployment           | 30,000             | 30,812             | 32,570             | 33,460             | 34,371             | 35,308             | 36,275             | 37,104             | 38,121             | 39,158             | 40,225             | 3.0%        |
| 250-B                               | One-Time Unemployment          | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | —           |
| <b>Benefits Subtotal</b>            |                                | <b>63,866,060</b>  | <b>66,446,917</b>  | <b>71,021,874</b>  | <b>73,753,262</b>  | <b>76,373,436</b>  | <b>78,872,509</b>  | <b>81,516,954</b>  | <b>83,915,664</b>  | <b>86,745,141</b>  | <b>89,658,296</b>  | <b>92,670,708</b>  | <b>3.8%</b> |
| <b>Personnel Costs Subtotal</b>     |                                | <b>171,296,199</b> | <b>176,783,494</b> | <b>187,671,647</b> | <b>193,590,593</b> | <b>199,475,235</b> | <b>205,329,842</b> | <b>211,436,582</b> | <b>216,810,291</b> | <b>223,281,949</b> | <b>229,911,451</b> | <b>236,744,112</b> | <b>3.3%</b> |
| <b>Tuition</b>                      |                                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |             |
| 560                                 | Other Tuition (Nonpublic, PRR) | 4,358,503          | 4,511,051          | 4,668,937          | 4,832,350          | 4,977,321          | 5,126,640          | 5,244,553          | 5,365,178          | 5,488,577          | 5,614,814          | 5,743,955          | 2.8%        |
| 561                                 | Tuition to Other LEA's         | 639,908            | 662,305            | 685,485            | 709,477            | 730,762            | 752,685            | 769,996            | 787,706            | 805,824            | 824,357            | 843,318            | 2.8%        |
| 562                                 | Charter School Tuition         | 6,875,078          | 7,107,670          | 7,122,181          | 7,294,904          | 7,288,999          | 7,252,458          | 7,462,407          | 7,680,794          | 7,876,342          | 8,106,225          | 8,343,014          | 2.0%        |
| 564                                 | Tuition to BCTHS               | 5,413,249          | 5,921,106          | 6,182,846          | 6,380,995          | 6,556,320          | 6,736,383          | 6,879,542          | 7,025,379          | 7,173,970          | 7,328,572          | 7,484,343          | 3.3%        |
| <b>Tuition Subtotal</b>             |                                | <b>17,286,738</b>  | <b>18,202,132</b>  | <b>18,659,450</b>  | <b>19,217,726</b>  | <b>19,553,402</b>  | <b>19,868,166</b>  | <b>20,356,498</b>  | <b>20,859,057</b>  | <b>21,344,713</b>  | <b>21,873,968</b>  | <b>22,414,629</b>  | <b>2.6%</b> |
| <b>Non-Personnel Costs</b>          |                                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |             |
| 322                                 | IU Services                    | 4,066,440          | 3,523,085          | 3,646,393          | 3,774,017          | 3,887,237          | 4,003,855          | 4,095,943          | 4,190,150          | 4,286,523          | 4,385,113          | 4,485,971          | 1.0%        |
| 3XX                                 | Professional Services          | 5,218,671          | 5,401,324          | 5,690,677          | 5,893,310          | 6,073,898          | 6,259,930          | 6,407,524          | 6,556,954          | 6,708,168          | 6,862,874          | 7,021,154          | 3.0%        |
| 430                                 | Repairs and Maintenance        | 1,591,409          | 1,647,108          | 1,704,757          | 1,764,424          | 1,817,356          | 1,871,877          | 1,914,930          | 1,958,974          | 2,004,030          | 2,050,123          | 2,097,275          | 2.8%        |
| 440                                 | Rentals                        | 1,408,592          | 1,457,893          | 1,508,919          | 1,561,731          | 1,608,583          | 1,656,841          | 1,694,948          | 1,733,932          | 1,773,812          | 1,814,610          | 1,856,346          | 2.8%        |
| 4XX                                 | Property Services              | 66,120             | 68,434             | 70,829             | 73,308             | 75,508             | 77,773             | 79,562             | 81,392             | 83,264             | 85,179             | 87,138             | 2.8%        |
| 510                                 | Misc. Transportation           | 119,765            | 123,957            | 330,757            | 342,333            | 352,603            | 363,181            | 371,535            | 403,345            | 412,622            | 422,112            | 431,821            | 13.7%       |
| 516                                 | IU Transportation              | 1,967,542          | 2,036,406          | 2,107,680          | 2,181,449          | 2,246,892          | 2,314,299          | 2,367,528          | 2,421,981          | 2,477,687          | 2,534,674          | 2,592,971          | 2.8%        |
| 520                                 | General Insurance              | 725,370            | 750,758            | 777,034            | 804,231            | 828,358            | 853,208            | 872,832            | 892,907            | 913,444            | 934,453            | 955,946            | 2.8%        |
| 530                                 | Communications                 | 96,000             | 99,360             | 102,838            | 106,437            | 109,630            | 112,919            | 115,516            | 118,173            | 120,891            | 123,671            | 126,516            | 2.8%        |
| 5XX                                 | Other Purchased Services       | 374,998            | 388,123            | 401,707            | 415,767            | 428,240            | 441,087            | 451,232            | 461,611            | 472,228            | 483,089            | 494,200            | 2.8%        |
| 610                                 | Supplies                       | 3,835,925          | 2,546,072          | 2,697,166          | 2,794,921          | 2,882,224          | 2,972,250          | 3,042,596          | 3,113,591          | 3,185,203          | 3,258,463          | 3,333,408          | (1.4%)      |
| 620-B                               | Building Utilities             | 1,550,558          | 1,604,828          | 1,660,996          | 1,719,131          | 1,770,705          | 1,823,826          | 1,865,774          | 1,908,687          | 1,952,587          | 1,997,497          | 2,043,439          | 2.8%        |
| 620-V                               | Vehicle Fuel                   | 886,942            | 917,985            | 950,114            | 983,368            | 1,012,870          | 1,043,256          | 1,067,250          | 1,091,797          | 1,116,909          | 1,142,597          | 1,168,877          | 2.8%        |
| 630                                 | Food                           | 26,670             | 27,603             | 28,570             | 29,570             | 30,457             | 31,370             | 32,092             | 32,830             | 33,585             | 34,357             | 35,148             | 2.8%        |
| 640                                 | Books                          | 1,211,459          | 1,253,860          | 1,297,745          | 1,343,166          | 1,383,461          | 1,424,965          | 1,457,739          | 1,491,267          | 1,525,566          | 1,560,654          | 1,596,549          | 2.8%        |
| 648/650                             | Technology Supplies            | 1,695,657          | 1,757,670          | 1,937,412          | 2,018,806          | 2,086,148          | 2,156,661          | 2,210,185          | 2,263,024          | 2,315,074          | 2,368,320          | 2,422,792          | 3.6%        |
| 700                                 | Property                       | 2,874,878          | 3,045,499          | 3,184,392          | 3,527,097          | 3,689,504          | 3,800,190          | 3,887,594          | 3,977,009          | 4,068,480          | 4,162,055          | 4,257,782          | 4.0%        |
| <b>Non-Personnel Costs Subtotal</b> |                                | <b>27,716,996</b>  | <b>26,649,965</b>  | <b>28,097,987</b>  | <b>29,333,066</b>  | <b>30,283,675</b>  | <b>31,207,488</b>  | <b>31,934,781</b>  | <b>32,697,623</b>  | <b>33,450,072</b>  | <b>34,219,842</b>  | <b>35,007,332</b>  | <b>2.4%</b> |
| <b>Other Expenditures</b>           |                                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |             |
| 800/900                             | Debt Service                   | 15,857,474         | 17,082,977         | 17,389,255         | 18,451,602         | 18,933,465         | 20,248,239         | 21,639,951         | 22,409,347         | 22,163,976         | 22,166,936         | 22,175,098         | 3.4%        |
| 810                                 | Dues and Fees                  | 99,460             | 99,460             | 99,460             | 99,460             | 99,460             | 99,460             | 99,460             | 99,460             | 99,460             | 99,460             | 99,460             | 0.0%        |
| 840                                 | Budgetary Reserve              | 400,000            | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | (100.0%)    |
| 899                                 | Pass Through Funds             | 272,000            | 272,000            | 272,000            | 272,000            | 272,000            | 272,000            | 272,000            | 272,000            | 272,000            | 272,000            | 272,000            | 0.0%        |
| 8XX                                 | Other Objects                  | 53,510             | 53,510             | 53,510             | 53,510             | 53,510             | 53,510             | 53,510             | 53,510             | 53,510             | 53,510             | 53,510             | 0.0%        |
| 939                                 | Fund Transfers                 | 1,100,000          | 250,000            | 250,000            | 250,000            | 250,000            | 250,000            | 250,000            | 250,000            | 250,000            | 250,000            | 250,000            | (13.8%)     |
| SPEC                                | 2% Savings                     | 0                  | (880,406)          | (906,238)          | (932,432)          | (955,609)          | (979,028)          | (1,002,169)        | (1,025,905)        | (1,050,224)        | (1,075,132)        | (1,100,645)        | —           |
| <b>Other Expenditures Subtotal</b>  |                                | <b>17,782,444</b>  | <b>16,877,541</b>  | <b>17,157,987</b>  | <b>18,194,140</b>  | <b>18,652,826</b>  | <b>19,944,181</b>  | <b>21,312,752</b>  | <b>22,058,412</b>  | <b>21,788,722</b>  | <b>21,766,774</b>  | <b>21,749,423</b>  | <b>2.0%</b> |
| <b>TOTAL EXPENDITURES</b>           |                                | <b>234,082,377</b> | <b>238,513,132</b> | <b>251,587,071</b> | <b>260,335,526</b> | <b>267,965,138</b> | <b>276,349,677</b> | <b>285,040,613</b> | <b>292,425,383</b> | <b>299,865,456</b> | <b>307,772,035</b> | <b>315,915,496</b> | <b>3.0%</b> |
| <b>Operating Result</b>             |                                | <b>(1,237,280)</b> | <b>(606,613)</b>   | <b>(596,263)</b>   | <b>(1,110,135)</b> | <b>(468,975)</b>   | <b>(313,718)</b>   | <b>(142,397)</b>   | <b>1,180,873</b>   | <b>2,025,192</b>   | <b>2,915,673</b>   | <b>3,712,144</b>   | <b>—</b>    |
| <b>Ending Fund Balance</b>          |                                | <b>15,251,003</b>  | <b>14,644,390</b>  | <b>14,048,127</b>  | <b>12,937,993</b>  | <b>12,469,018</b>  | <b>12,155,300</b>  | <b>12,012,902</b>  | <b>13,193,775</b>  | <b>15,218,968</b>  | <b>18,134,641</b>  | <b>21,846,785</b>  | <b>3.7%</b> |

## Morrisville School District Scenario 3: Tuition Grades 6 to 12



|  | 2022-23<br>Budget | 2023-24<br>Projected | 2024-25<br>Projected | 2025-26<br>Projected | 2026-27<br>Projected | 2027-28<br>Projected | 2028-29<br>Projected | 2029-30<br>Projected | 2030-31<br>Projected | 2031-32<br>Projected | 2032-33<br>Projected | CAGR<br>22-23 to 32-33 |
|--|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
|--|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|

**SUMMARY**

**REVENUES**

|   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |             |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|
| Current and Interim Real Estate Taxes   | 13,798,916        | 14,483,258        | 15,200,415        | 15,951,960        | 16,739,542        | 17,289,768        | 17,857,584        | 18,443,550        | 19,048,248        | 19,672,277        | 20,316,254        | 3.9%        |
| Real Estate Transfer Taxes              | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 0.0%        |
| Delinquent Real Estate Taxes            | 450,000           | 223,644           | 234,718           | 246,324           | 258,486           | 266,983           | 275,751           | 284,800           | 294,138           | 303,774           | 313,718           | (3.5%)      |
| Other Local Revenue                     | 374,000           | 374,000           | 374,000           | 374,000           | 374,000           | 374,000           | 374,000           | 374,000           | 374,000           | 374,000           | 374,000           | 0.0%        |
| <b>Local Sources</b>                    | <b>14,772,916</b> | <b>15,230,902</b> | <b>15,959,133</b> | <b>16,722,284</b> | <b>17,522,028</b> | <b>18,080,751</b> | <b>18,657,335</b> | <b>19,252,350</b> | <b>19,866,386</b> | <b>20,500,051</b> | <b>21,153,972</b> | <b>3.7%</b> |
| Basic Education Funding                 | 3,260,791         | 3,403,284         | 3,446,845         | 3,490,405         | 3,533,966         | 3,577,527         | 3,621,087         | 3,664,648         | 3,708,208         | 3,751,769         | 3,795,329         | 1.5%        |
| Special Education Funding               | 952,492           | 932,003           | 961,263           | 990,523           | 1,019,783         | 1,049,043         | 1,078,303         | 1,107,564         | 1,136,824         | 1,166,084         | 1,195,344         | 2.3%        |
| State Reimbursements                    | 1,910,244         | 1,994,413         | 1,287,993         | 1,323,432         | 1,360,985         | 1,392,211         | 1,432,495         | 1,496,109         | 1,539,439         | 1,584,023         | 1,629,896         | (1.6%)      |
| Supplemental Ready to Learn Block Grant | 0                 | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 4,911.9%    |
| Other State Revenue                     | 716,005           | 691,005           | 691,005           | 691,005           | 691,005           | 691,005           | 691,005           | 691,005           | 691,005           | 691,005           | 691,005           | (0.4%)      |
| <b>State Sources</b>                    | <b>6,839,532</b>  | <b>8,020,705</b>  | <b>7,387,105</b>  | <b>7,495,366</b>  | <b>7,605,739</b>  | <b>7,709,786</b>  | <b>7,822,891</b>  | <b>7,959,326</b>  | <b>8,075,476</b>  | <b>8,192,881</b>  | <b>8,311,574</b>  | <b>2.0%</b> |
| <b>Federal Sources</b>                  | <b>1,533,253</b>  | <b>1,449,678</b>  | <b>1,478,672</b>  | <b>1,508,245</b>  | <b>1,538,410</b>  | <b>1,569,178</b>  | <b>1,600,562</b>  | <b>1,632,573</b>  | <b>1,665,224</b>  | <b>1,698,529</b>  | <b>1,732,499</b>  | <b>1.2%</b> |
| <b>Other Funding Sources</b>            | <b>0</b>          | <b>—</b>    |
| <b>Total Revenues</b>                   | <b>23,145,701</b> | <b>24,701,285</b> | <b>24,824,910</b> | <b>25,725,894</b> | <b>26,666,177</b> | <b>27,359,715</b> | <b>28,080,787</b> | <b>28,844,248</b> | <b>29,607,087</b> | <b>30,391,460</b> | <b>31,198,046</b> | <b>3.0%</b> |
| Check                                   | TRUE              |             |

**EXPENDITURES**

|                           |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |             |
|---------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|
| Salaries                  | 9,459,949         | 9,743,747         | 6,357,881         | 6,548,617         | 6,745,076         | 6,908,309         | 7,115,558         | 7,428,829         | 7,651,693         | 7,881,244         | 8,117,682         | (1.5%)      |
| Benefits                  | 5,492,335         | 5,978,018         | 4,597,780         | 4,032,816         | 4,176,176         | 4,290,336         | 4,434,012         | 4,655,884         | 4,823,564         | 4,997,332         | 5,177,301         | (0.6%)      |
| Tuition to Pennsbury      | 0                 | 0                 | 5,780,973         | 5,912,888         | 6,130,181         | 6,354,381         | 6,588,744         | 6,512,771         | 6,731,453         | 6,930,493         | 7,135,598         | —           |
| IU Services               | 2,363,251         | 2,445,965         | 2,531,574         | 2,620,179         | 2,698,784         | 2,779,748         | 2,843,682         | 2,909,086         | 2,975,995         | 3,044,443         | 3,114,465         | 2.8%        |
| Charter School Tuition    | 904,000           | 1,308,471         | 1,388,723         | 1,415,311         | 1,260,432         | 1,147,943         | 1,027,678         | 904,786           | 881,088           | 868,543           | 853,912           | (0.6%)      |
| Debt Service              | 839,476           | 896,288           | 1,243,937         | 1,243,693         | 1,244,839         | 1,244,395         | 1,243,518         | 1,244,023         | 1,242,956         | 1,243,388         | 1,243,218         | 4.0%        |
| Other Expenditures        | 3,938,847         | 4,262,341         | 3,885,041         | 4,021,836         | 4,142,896         | 4,246,411         | 4,343,918         | 4,443,619         | 4,545,563         | 4,650,014         | 4,756,697         | 1.9%        |
| <b>Total Expenditures</b> | <b>22,997,858</b> | <b>24,634,830</b> | <b>25,785,908</b> | <b>25,795,340</b> | <b>26,398,383</b> | <b>26,971,521</b> | <b>27,597,111</b> | <b>28,098,998</b> | <b>28,852,313</b> | <b>29,615,458</b> | <b>30,398,873</b> | <b>2.8%</b> |
| Check                     | TRUE              |             |

|                         |                |               |                  |                 |                |                |                |                |                |                |                |              |
|-------------------------|----------------|---------------|------------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|
| <b>Operating Result</b> | <b>147,843</b> | <b>66,455</b> | <b>(960,998)</b> | <b>(69,446)</b> | <b>267,795</b> | <b>388,194</b> | <b>483,676</b> | <b>745,250</b> | <b>754,774</b> | <b>776,003</b> | <b>799,173</b> | <b>18.4%</b> |
|-------------------------|----------------|---------------|------------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|

|                                       |                    |                    |                    |                    |                    |                    |                    |                  |                |                |                  |          |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|----------------|----------------|------------------|----------|
| <b>Ending Fund Balance</b>            | <b>(1,458,741)</b> | <b>(1,392,286)</b> | <b>(2,353,284)</b> | <b>(2,422,730)</b> | <b>(2,154,935)</b> | <b>(1,766,741)</b> | <b>(1,283,065)</b> | <b>(537,815)</b> | <b>216,959</b> | <b>992,962</b> | <b>1,792,135</b> | <b>—</b> |
| Operating Result as % of Expenditures | 0.6%               | 0.3%               | (3.7%)             | (0.3%)             | 1.0%               | 1.4%               | 1.8%               | 2.7%             | 2.6%           | 2.6%           | 2.6%             |          |
| Fund Balance as % of Expenditures     | (6.3%)             | (5.7%)             | (9.1%)             | (9.4%)             | (8.2%)             | (6.6%)             | (4.6%)             | (1.9%)           | 0.8%           | 3.4%           | 5.9%             |          |

**REVENUES**

**Local Sources**

|                                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |             |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|
| 6111 Real Estate Taxes            | 13,798,916        | 14,483,258        | 15,200,415        | 15,951,960        | 16,739,542        | 17,289,768        | 17,857,584        | 18,443,550        | 19,048,248        | 19,672,277        | 20,316,254        | 3.9%        |
| 6153 Real Estate Transfer Taxes   | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           | 0.0%        |
| 6411 Delinquent Real Estate Taxes | 450,000           | 223,644           | 234,718           | 246,324           | 258,486           | 266,983           | 275,751           | 284,800           | 294,138           | 303,774           | 313,718           | (3.5%)      |
| 6500 Earnings on Investments      | 80,000            | 80,000            | 80,000            | 80,000            | 80,000            | 80,000            | 80,000            | 80,000            | 80,000            | 80,000            | 80,000            | 0.0%        |
| 6830 Federal Pass Through         | 228,000           | 228,000           | 228,000           | 228,000           | 228,000           | 228,000           | 228,000           | 228,000           | 228,000           | 228,000           | 228,000           | 0.0%        |
| 6910 Rentals                      | 10,000            | 10,000            | 10,000            | 10,000            | 10,000            | 10,000            | 10,000            | 10,000            | 10,000            | 10,000            | 10,000            | 0.0%        |
| 6940 Tuition                      | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | —           |
| 6XXX Other Local Revenues         | 56,000            | 56,000            | 56,000            | 56,000            | 56,000            | 56,000            | 56,000            | 56,000            | 56,000            | 56,000            | 56,000            | 0.0%        |
| <b>Local Sources Subtotal</b>     | <b>14,772,916</b> | <b>15,230,902</b> | <b>15,959,133</b> | <b>16,722,284</b> | <b>17,522,028</b> | <b>18,080,751</b> | <b>18,657,335</b> | <b>19,252,350</b> | <b>19,866,386</b> | <b>20,500,051</b> | <b>21,153,972</b> | <b>3.7%</b> |

|                                 | 2022-23                                 | 2023-24           | 2024-25           | 2025-26           | 2026-27           | 2027-28           | 2028-29           | 2029-30           | 2030-31           | 2031-32           | 2032-33           | CAGR              |               |
|---------------------------------|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------|
|                                 | Budget                                  | Projected         | 22-23 to 32-33    |               |
| <b>State Sources</b>            |   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |               |
| 7110                            | Basic Education Funding                 | 3,260,791         | 3,403,284         | 3,446,845         | 3,490,405         | 3,533,966         | 3,577,527         | 3,621,087         | 3,664,648         | 3,708,208         | 3,751,769         | 3,795,329         | 1.5%          |
| 7112                            | Social Security Reimbursement           | 343,776           | 380,951           | 265,441           | 278,614           | 290,471           | 299,311           | 310,641           | 326,174           | 338,585           | 351,447           | 364,775           | 0.6%          |
| 7160                            | Tuition from Private Homes              | 15,000            | 15,000            | 15,000            | 15,000            | 15,000            | 15,000            | 15,000            | 15,000            | 15,000            | 15,000            | 15,000            | 0.0%          |
| 7270                            | Special Education Funding               | 952,492           | 932,003           | 961,263           | 990,523           | 1,019,783         | 1,049,043         | 1,078,303         | 1,107,564         | 1,136,824         | 1,166,084         | 1,195,344         | 2.3%          |
| 7310                            | Transportation Subsidy                  | 49,000            | 49,000            | 49,000            | 49,000            | 49,000            | 49,000            | 49,000            | 49,000            | 49,000            | 49,000            | 49,000            | 0.0%          |
| 7320                            | PlanCon                                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | —             |
| 7340                            | Property Tax Reduction                  | 487,398           | 487,398           | 487,398           | 487,398           | 487,398           | 487,398           | 487,398           | 487,398           | 487,398           | 487,398           | 487,398           | 0.0%          |
| 7360                            | Safe Schools Grant                      | 25,000            | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | (100.0%)      |
| 7505                            | Ready to Learn Block Grant              | 119,607           | 119,607           | 119,607           | 119,607           | 119,607           | 119,607           | 119,607           | 119,607           | 119,607           | 119,607           | 119,607           | 0.0%          |
| 75XX                            | Supplemental Ready to Learn Block Grant | 0                 | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         | —             |
| 7800                            | PSERS Reimbursement                     | 1,566,468         | 1,613,462         | 1,022,551         | 1,044,818         | 1,070,514         | 1,092,901         | 1,121,854         | 1,169,935         | 1,200,855         | 1,232,576         | 1,265,120         | (2.1%)        |
| 7XXX                            | Other State Revenue                     | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            | 0.0%          |
| <b>State Sources Subtotal</b>   |   | <b>6,839,532</b>  | <b>8,020,705</b>  | <b>7,387,105</b>  | <b>7,495,366</b>  | <b>7,605,739</b>  | <b>7,709,786</b>  | <b>7,822,891</b>  | <b>7,959,326</b>  | <b>8,075,476</b>  | <b>8,192,881</b>  | <b>8,311,574</b>  | <b>2.0%</b>   |
| <b>Federal Sources</b>          |   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |               |
| 8514                            | Title I                                 | 229,499           | 234,089           | 238,771           | 243,546           | 248,417           | 253,385           | 258,453           | 263,622           | 268,895           | 274,273           | 279,758           | 2.0%          |
| 8515                            | Title II                                | 34,401            | 35,089            | 35,791            | 36,507            | 37,237            | 37,981            | 38,741            | 39,516            | 40,306            | 41,112            | 41,935            | 2.0%          |
| 8516                            | Title III                               | 13,506            | 13,776            | 14,052            | 14,333            | 14,619            | 14,912            | 15,210            | 15,514            | 15,824            | 16,141            | 16,464            | 2.0%          |
| 8517                            | Title IV                                | 816,847           | 833,184           | 849,848           | 866,845           | 884,181           | 901,865           | 919,902           | 938,300           | 957,066           | 976,208           | 995,732           | 2.0%          |
| 8740                            | Other CARES Act                         | 112,000           | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | (100.0%)      |
| 8741                            | ESSER I                                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | —             |
| 8743                            | ESSER II                                | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | —             |
| 8744                            | ARP ESSER                               | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | —             |
| 8750                            | ESSER Set-Asides                        | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | —             |
| 8810                            | Medicaid ACCESS                         | 200,000           | 204,000           | 208,080           | 212,242           | 216,486           | 220,816           | 225,232           | 229,737           | 234,332           | 239,019           | 243,799           | 2.0%          |
| 8XXX                            | Other Federal Revenue                   | 127,000           | 129,540           | 132,131           | 134,773           | 137,469           | 140,218           | 143,023           | 145,883           | 148,801           | 151,777           | 154,812           | 2.0%          |
| <b>Federal Sources Subtotal</b> |   | <b>1,533,253</b>  | <b>1,449,678</b>  | <b>1,478,672</b>  | <b>1,508,245</b>  | <b>1,538,410</b>  | <b>1,569,178</b>  | <b>1,600,562</b>  | <b>1,632,573</b>  | <b>1,665,224</b>  | <b>1,698,529</b>  | <b>1,732,499</b>  | <b>1.2%</b>   |
| <b>TOTAL REVENUES</b>           |   | <b>23,145,701</b> | <b>24,701,285</b> | <b>24,824,910</b> | <b>25,725,894</b> | <b>26,666,177</b> | <b>27,359,715</b> | <b>28,080,787</b> | <b>28,844,248</b> | <b>29,607,087</b> | <b>30,391,460</b> | <b>31,198,046</b> | <b>3.0%</b>   |
| <b>EXPENDITURES</b>             |   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |               |
| 110                             | Administrators                          | 762,500           | 785,375           | 605,774           | 623,947           | 642,666           | 661,945           | 681,804           | 702,258           | 723,326           | 745,025           | 767,376           | 0.1%          |
| 122                             | Substitutes                             | 100,000           | 103,000           | 106,090           | 109,273           | 112,551           | 115,927           | 119,405           | 122,987           | 126,677           | 130,477           | 134,392           | 3.0%          |
| 120                             | Teachers                                | 6,326,103         | 6,515,887         | 3,870,348         | 3,986,459         | 4,106,052         | 4,229,234         | 4,356,111         | 4,586,598         | 4,724,196         | 4,865,921         | 5,011,899         | (2.3%)        |
| 130                             | Professional                            | 362,709           | 373,590           | 221,250           | 227,888           | 234,724           | 241,766           | 249,019           | 256,490           | 264,184           | 272,110           | 280,273           | (2.5%)        |
| 140                             | Technical                               | 229,527           | 236,413           | 243,505           | 250,811           | 258,335           | 266,085           | 274,068           | 282,290           | 290,758           | 299,481           | 308,465           | 3.0%          |
| 150                             | Clerical                                | 608,994           | 627,264           | 601,778           | 619,831           | 638,426           | 657,579           | 677,306           | 697,625           | 718,554           | 740,110           | 762,314           | 2.3%          |
| 160                             | Maintenance                             | 51,499            | 53,044            | 54,635            | 56,274            | 57,962            | 59,701            | 61,492            | 63,337            | 65,237            | 67,194            | 69,210            | 3.0%          |
| 180                             | Custodians                              | 311,035           | 320,366           | 294,178           | 303,003           | 312,093           | 282,337           | 290,807           | 299,531           | 308,517           | 317,772           | 327,305           | 0.5%          |
| 190                             | Instructional Assistant                 | 707,582           | 728,809           | 360,323           | 371,133           | 382,267           | 393,735           | 405,547           | 417,713           | 430,245           | 443,152           | 456,446           | (4.3%)        |
| <b>Salaries Subtotal</b>        |   | <b>9,459,949</b>  | <b>9,743,747</b>  | <b>6,357,881</b>  | <b>6,548,617</b>  | <b>6,745,076</b>  | <b>6,908,309</b>  | <b>7,115,558</b>  | <b>7,428,829</b>  | <b>7,651,693</b>  | <b>7,881,244</b>  | <b>8,117,682</b>  | <b>(1.5%)</b> |
| <b>Benefits</b>                 |   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |               |
| 230                             | PSERS                                   | 3,138,186         | 3,477,543         | 2,287,334         | 2,386,041         | 2,477,833         | 2,546,750         | 2,636,656         | 2,767,622         | 2,865,936         | 2,967,658         | 3,072,903         | (0.2%)        |
| 210/270                         | Health Insurance                        | 1,570,027         | 1,632,828         | 1,011,875         | 1,053,010         | 1,095,791         | 1,125,407         | 1,171,120         | 1,235,093         | 1,285,190         | 1,337,291         | 1,391,476         | (1.2%)        |
| 220                             | Social Security                         | 716,199           | 737,685           | 478,435           | 492,788           | 507,572           | 519,806           | 535,401           | 559,098           | 575,871           | 593,147           | 610,941           | (1.6%)        |
| 250-A                           | Ongoing Unemployment                    | 0                 | 10,000            | 6,652             | 6,851             | 7,057             | 7,228             | 7,445             | 7,772             | 8,005             | 8,245             | 8,492             | —             |
| 250-B                           | One-Time Unemployment                   | 0                 | 0                 | 713,726           | 0                 | 0                 | 9,880             | 0                 | 0                 | 0                 | 0                 | 0                 | —             |
| 260                             | Workers' Compensation                   | 67,923            | 69,961            | 72,060            | 65,458            | 58,396            | 50,851            | 52,279            | 54,472            | 56,003            | 57,683            | 59,414            | (1.3%)        |
| 2XX                             | Other Benefits                          | 0                 | 50,000            | 27,697            | 28,667            | 29,527            | 30,412            | 31,112            | 31,827            | 32,559            | 33,308            | 34,074            | —             |
| <b>Benefits Subtotal</b>        |   | <b>5,492,335</b>  | <b>5,978,018</b>  | <b>4,597,780</b>  | <b>4,032,816</b>  | <b>4,176,176</b>  | <b>4,290,336</b>  | <b>4,434,012</b>  | <b>4,655,884</b>  | <b>4,823,564</b>  | <b>4,997,332</b>  | <b>5,177,301</b>  | <b>(0.6%)</b> |
| <b>Personnel Costs Subtotal</b> |   | <b>14,952,284</b> | <b>15,721,765</b> | <b>10,955,661</b> | <b>10,581,434</b> | <b>10,921,252</b> | <b>11,198,645</b> | <b>11,549,570</b> | <b>12,084,713</b> | <b>12,475,257</b> | <b>12,878,576</b> | <b>13,294,983</b> | <b>(1.2%)</b> |

|                            | 2022-23                             | 2023-24            | 2024-25            | 2025-26            | 2026-27            | 2027-28            | 2028-29            | 2029-30            | 2030-31           | 2031-32           | 2032-33           | CAGR              |              |
|----------------------------|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|--------------|
|                            | Budget                              | Projected          | Projected         | Projected         | Projected         | 22-23 to 32-33    |              |
| <b>Tuition</b>             |                                     |                    |                    |                    |                    |                    |                    |                    |                   |                   |                   |                   |              |
| 560                        | Other Tuition                       | 143,200            | 148,212            | 153,399            | 158,768            | 163,531            | 168,437            | 172,311            | 176,275           | 180,329           | 184,477           | 188,719           | 2.8%         |
| 561-A                      | Tuition to Other LEA's              | 560,170            | 579,776            | 600,068            | 621,070            | 639,703            | 658,894            | 674,048            | 689,551           | 705,411           | 721,635           | 738,233           | 2.8%         |
| 561-B                      | Tuition to Pennsbury                | 0                  | 0                  | 5,780,973          | 5,912,888          | 6,130,181          | 6,354,381          | 6,588,744          | 6,512,771         | 6,731,453         | 6,930,493         | 7,135,598         | —            |
| 562                        | Charter School Tuition              | 904,000            | 1,308,471          | 1,388,723          | 1,415,311          | 1,260,432          | 1,147,943          | 1,027,678          | 904,786           | 881,088           | 868,543           | 853,912           | (0.6%)       |
| 564                        | Tuition to BCTHS                    | 741,206            | 798,077            | 829,627            | 857,453            | 882,107            | 907,467            | 927,557            | 948,068           | 969,012           | 990,609           | 1,012,544         | 3.2%         |
|                            | <b>Tuition Subtotal</b>             | <b>2,348,576</b>   | <b>2,834,536</b>   | <b>8,752,790</b>   | <b>8,965,490</b>   | <b>9,075,954</b>   | <b>9,237,122</b>   | <b>9,390,339</b>   | <b>9,231,451</b>  | <b>9,467,293</b>  | <b>9,695,757</b>  | <b>9,929,006</b>  | <b>15.5%</b> |
| <b>Non-Personnel Costs</b> |                                     |                    |                    |                    |                    |                    |                    |                    |                   |                   |                   |                   |              |
| 322                        | IU Services                         | 2,363,251          | 2,445,965          | 2,531,574          | 2,620,179          | 2,698,784          | 2,779,748          | 2,843,682          | 2,909,086         | 2,975,995         | 3,044,443         | 3,114,465         | 2.8%         |
| 3XX                        | Professional Services               | 796,042            | 823,903            | 730,085            | 755,638            | 778,307            | 801,656            | 820,094            | 838,956           | 858,252           | 877,992           | 898,186           | 1.2%         |
| 430                        | Repairs and Maintenance             | 81,700             | 84,560             | 36,234             | 37,502             | 38,627             | 39,786             | 40,701             | 41,637            | 42,595            | 43,575            | 44,577            | (5.9%)       |
| 440                        | Rentals                             | 11,000             | 11,385             | 11,783             | 12,196             | 12,562             | 12,939             | 13,236             | 13,541            | 13,852            | 14,171            | 14,497            | 2.8%         |
| 4XX                        | Property Services                   | 191,000            | 197,685            | 204,604            | 211,765            | 218,118            | 209,606            | 214,427            | 219,358           | 224,404           | 229,565           | 234,845           | 2.1%         |
| 510                        | Transportation                      | 102,000            | 105,570            | 39,635             | 41,023             | 42,253             | 43,521             | 44,522             | 45,546            | 46,593            | 47,665            | 48,761            | (7.1%)       |
| 516                        | IU Transportation                   | 580,000            | 600,300            | 621,311            | 643,056            | 662,348            | 682,219            | 697,910            | 713,961           | 730,383           | 747,181           | 764,367           | 2.8%         |
| 520                        | General Insurance                   | 98,000             | 101,430            | 104,980            | 108,654            | 111,914            | 115,271            | 117,923            | 120,635           | 123,409           | 126,248           | 129,152           | 2.8%         |
| 530                        | Communications                      | 22,600             | 23,391             | 24,210             | 25,057             | 25,809             | 26,583             | 27,194             | 27,820            | 28,460            | 29,114            | 29,784            | 2.8%         |
| 5XX                        | Other Purchased Services            | 46,440             | 48,065             | 36,036             | 37,297             | 38,416             | 39,569             | 40,479             | 41,410            | 42,362            | 43,337            | 44,333            | (0.5%)       |
| 610                        | Supplies                            | 234,188            | 351,060            | 193,869            | 201,531            | 208,202            | 215,090            | 220,273            | 225,571           | 230,988           | 236,525           | 242,185           | 0.3%         |
| 620-A                      | Building Utilities                  | 52,000             | 53,820             | 55,704             | 57,653             | 59,383             | 55,048             | 56,314             | 57,609            | 58,934            | 60,290            | 61,676            | 1.7%         |
| 620-B                      | Gasoline - Vans                     | 5,000              | 5,175              | 5,356              | 5,544              | 5,710              | 5,881              | 6,016              | 6,155             | 6,296             | 6,441             | 6,589             | 2.8%         |
| 640                        | Books                               | 14,025             | 14,516             | 15,024             | 15,550             | 16,016             | 16,497             | 16,876             | 17,264            | 17,661            | 18,068            | 18,483            | 2.8%         |
| 648                        | Technology Supplies                 | 77,900             | 189,302            | 103,961            | 109,775            | 114,793            | 119,976            | 123,794            | 127,694           | 131,678           | 135,747           | 139,903           | 6.0%         |
| 700                        | Property                            | 83,951             | 86,889             | 89,930             | 93,078             | 95,870             | 98,746             | 101,018            | 103,341           | 105,718           | 108,149           | 110,637           | 2.8%         |
|                            | <b>Non-Personnel Costs Subtotal</b> | <b>4,759,097</b>   | <b>5,143,015</b>   | <b>4,804,295</b>   | <b>4,975,498</b>   | <b>5,127,113</b>   | <b>5,262,135</b>   | <b>5,384,458</b>   | <b>5,509,586</b>  | <b>5,637,582</b>  | <b>5,768,511</b>  | <b>5,902,441</b>  | <b>2.2%</b>  |
| <b>Other Expenditures</b>  |                                     |                    |                    |                    |                    |                    |                    |                    |                   |                   |                   |                   |              |
| 800/900                    | Debt Service                        | 839,476            | 896,288            | 1,243,937          | 1,243,693          | 1,244,839          | 1,244,395          | 1,243,518          | 1,244,023         | 1,242,956         | 1,243,388         | 1,243,218         | 4.0%         |
| 810                        | Dues and Fees                       | 39,225             | 39,225             | 29,225             | 29,225             | 29,225             | 29,225             | 29,225             | 29,225            | 29,225            | 29,225            | 29,225            | (2.9%)       |
| 8XX                        | Other Objects                       | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                 | 0                 | 0                 | 0                 | —            |
| 930                        | Fund Transfers                      | 59,200             | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                 | 0                 | 0                 | 0                 | (100.0%)     |
|                            | <b>Other Expenditures Subtotal</b>  | <b>937,901</b>     | <b>935,513</b>     | <b>1,273,162</b>   | <b>1,272,918</b>   | <b>1,274,064</b>   | <b>1,273,620</b>   | <b>1,272,743</b>   | <b>1,273,248</b>  | <b>1,272,181</b>  | <b>1,272,613</b>  | <b>1,272,443</b>  | <b>3.1%</b>  |
|                            | <b>TOTAL EXPENDITURES</b>           | <b>22,997,858</b>  | <b>24,634,830</b>  | <b>25,785,908</b>  | <b>25,795,340</b>  | <b>26,398,383</b>  | <b>26,971,521</b>  | <b>27,597,111</b>  | <b>28,098,998</b> | <b>28,852,313</b> | <b>29,615,458</b> | <b>30,398,873</b> | <b>2.8%</b>  |
|                            | <b>Operating Result</b>             | <b>147,843</b>     | <b>66,455</b>      | <b>(960,998)</b>   | <b>(69,446)</b>    | <b>267,795</b>     | <b>388,194</b>     | <b>483,676</b>     | <b>745,250</b>    | <b>754,774</b>    | <b>776,003</b>    | <b>799,173</b>    | <b>18.4%</b> |
|                            | <b>Ending Fund Balance</b>          | <b>(1,458,741)</b> | <b>(1,392,286)</b> | <b>(2,353,284)</b> | <b>(2,422,730)</b> | <b>(2,154,935)</b> | <b>(1,766,741)</b> | <b>(1,283,065)</b> | <b>(537,815)</b>  | <b>216,959</b>    | <b>992,962</b>    | <b>1,792,135</b>  | <b>—</b>     |