CENTENNIAL SCHOOL DISTRICT

Superintendent of Schools

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April 2026

Dear Centennial Community,

I trust this finds you well as we prepare for a busy and exciting remaining two months of the school year.

Like many public school districts across Pennsylvania, Centennial is experiencing financial pressures in key areas like special education services, transportation, healthcare, and other essential operational expenses. While these challenges are significant, we remain committed to providing every student with a high-quality educational experience while maintaining responsible stewardship of public resources.

Over the past several months, the district's administrative team, Board of School Directors, and Finance Committee have been diligently reviewing our current budget deficit (approximately $10,000,000 with no tax increase, and $7,000,000 *if* a 3.5% tax increase was enacted). This deficit is the result of several converging factors over the past several years, including rising operational costs, unfunded initiatives, and revenue growth that has not kept pace with these increasing obligations.

Addressing the current budget gap requires thoughtful planning and careful review of how we allocate resources to ensure our spending aligns with our district's priorities. As part of this effort, the district is actively pursuing several major initiatives aimed at strengthening financial stability while continuing to support and enhance our educational programs. Here are five of our primary targets, with an *estimated* savings of $3,200,000 for year one, with recurring savings in subsequent years.

1. ENGAGING A TRANSFER OF ENTITY WITH THE BUCKS COUNTY INTERMEDIATE UNIT (BCIU)

Currently, there are two full-time autistic support classrooms at Davis Elementary operated by the Bucks County Intermediate Unit (Bucks IU) that serve Centennial students. While the district has historically outsourced these services, a recent program review determined that Centennial can effectively provide these services with our faculty and staff. As a result, the district has executed a Transfer of Entity agreement with the Bucks IU to assume operation of these classrooms at Davis Elementary.

Intended Outcomes:

- Deliver strong supports and related services for high-quality programming
- Instruction delivered by Centennial teachers
- Improve financial and program efficiency
- Explore future transfers of entity, which will allow for increased educational and financial outcomes.

Anticipated Savings: $1,200,000

2. IMPLEMENTING A ZERO-BASED BUDGETING APPROACH

For the 2026–2027 fiscal year (and beyond), the district is adopting a zero-based budgeting approach. Instead of carrying over last year's budget and applying a standard increase, each department will build its budget from the ground up and clearly justify all expenses.
As part of this process, departments have been asked to identify an approximate 10% reduction from the prior year by eliminating costs that are not essential to our core mission.

Intended Outcomes:

- Every dollar directly supports student learning and district priorities
- Budget decisions are transparent and accountable
- Inefficiencies and unnecessary spending are reduced
- The district is better positioned for long-term financial sustainability

Anticipated Savings: $150,000

3. STRATEGIC REVIEW OF STAFFING AND SCHEDULING

Personnel costs make up the largest share of our district's budget. As a result, the administration is carefully reviewing staffing levels, course offerings, and scheduling across all schools. This work is not intended to reduce student opportunities. Instead, it focuses on aligning staffing with student needs and enrollment, while continuing to support strong academic programs and services.

Intended Outcomes:

- Improve scheduling efficiency across schools and departments
- Align staffing with enrollment and program needs
- Maintain access to rigorous academic opportunities and student supports
- Sustain high levels of student achievement while responsibly managing costs

Anticipated Savings: $600,000

4. RETIREMENT INCENTIVE

Currently, a large percentage of our faculty will be eligible for retirement in the next 5-7 years. The expertise of these educators cannot be understated; however, one of the ways a district can reduce operating costs is to examine the financial benefit of incentivized early retirement. An early retirement incentive seeks to achieve cost savings and long-term financial stability by reducing higher-salaried positions and creating opportunities to hire lower-cost staff. This approach allows districts to manage budget deficits while avoiding involuntary layoffs, thereby preserving staff morale and minimizing disruption.

Intended Outcomes:

- Provide flexibility to restructure the workforce in response to enrollment trends and evolving program needs
- Support the preservation of educational programs by generating savings without cutting student services
- Offer a respectful and voluntary transition for long-serving employees
- Develop thoughtful succession planning to minimize the loss of institutional knowledge

Anticipated Savings: $750,000

5. AUDIT AND ADJUSTMENT OF INTERNAL PROCESSES
Centennial participates in Pennsylvania's Medical Access Billing program, which allows the district to recover a portion of the costs for health-related services provided to eligible students. These services, such as speech, occupational, and physical therapy, nursing support, and behavioral health services, are required for students with Individualized Education Programs (IEPs) or specific health needs.

When these services are provided during the school day, the district may submit claims for reimbursement. This process requires parental consent, detailed documentation, and qualified staff, and is regularly reviewed to ensure compliance with state and federal guidelines.

While this is not a cost savings measure, it allows the district to *recover* funds for services it already provides.

Intended Outcomes:

- Reduce the financial burden on local taxpayers by recovering funds for essential services
- Ensure students receive the health and educational supports they need
- Support high-quality programs while maintaining fiscal responsibility and transparency

Anticipated Revenue: $500,000

THE PATH FORWARD
Centennial has long been defined by strong schools, dedicated educators, supportive families, and a community that values public education. Through thoughtful planning and responsible decision-making, we will continue to build on this tradition.

A deficit of this magnitude will not be resolved in one budget cycle; therefore, our priority is to address the district's financial challenges over the next three years while continuing to provide the rigorous, high-quality educational opportunities our students deserve.

Open communication and strong partnerships with our community are essential as we move forward, and we will continue to share updates in the weeks ahead as this work progresses. For additional information, including our most recent Board presentation, please click here or visit our website, www.centennialsd.org/Menu/Departments/Business Office/Cost Savings Initiatives 2026 - 2027. Additionally, to facilitate transparency, **I will be attending upcoming Home and School meetings to present these budget solutions and address questions. Please consult your school calendar for specific scheduling details.**

Thank you for your continued partnership and support of our students and schools.

Sincerely,

Karen M. Simon Krieger
Finance Committee Chair

Abram M. Lucabaugh, Ed.D.
Superintendent of Schools