

# State College Area School District

District Update

2013-14 Budget Planning

# Purpose

- Provide update on financial position
- Financing district building needs
- Hear from you:
  - concerns as well as strengths in district

# Five Year Budget Assumptions

## – Rationale

- Used to project financial results from operations
- Use known values whenever possible, otherwise estimate based upon history, trends, expectations

## – Revenue

- Real Estate Tax increase 1.7% plus 1.0% assessed value growth.
- No increase in other revenue, except retirement - budgeted at 50% of retirement expense.

## – Expenses

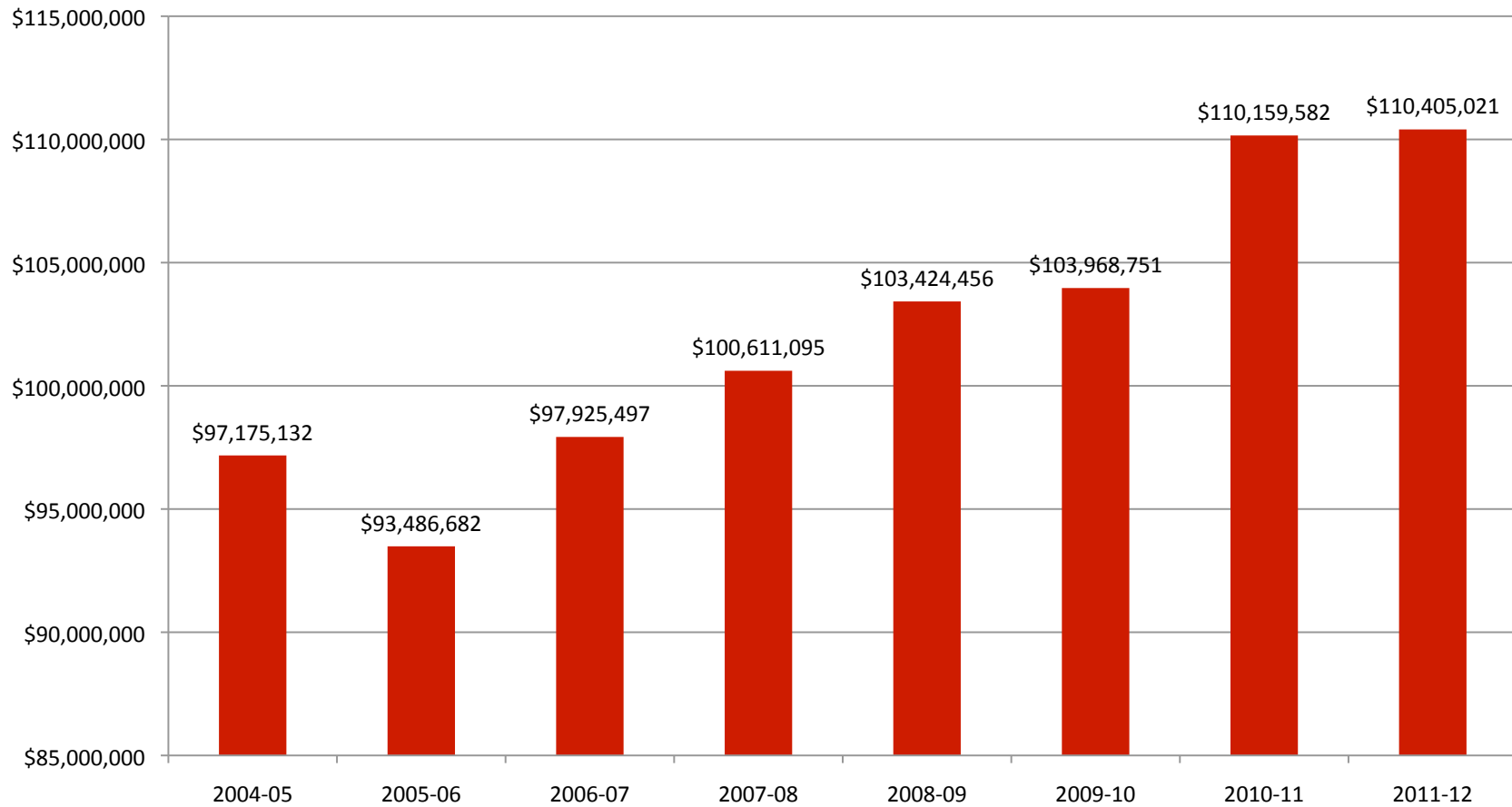
- Salary increase 2.0% based upon ratified contracts.
- Health Insurance estimated at rate caps; based upon previous experience.
- Retirement budgeted at PSERS (Public School employees Retirement System) projections.
- No increase in other expenses.

# Five-Year Projections

State College Area School District						
General Fund Budget Projections - 9.24.2012						
	2011-12 Projected	Current Budget 2012-13	2013-14	2014-15	2015-16	2016-17
Revenue	112,463,459	116,574,909	119,217,154	122,760,460	126,369,088	128,988,594
Expenses	<u>110,405,021</u>	<u>116,574,909</u>	<u>119,309,437</u>	<u>124,052,163</u>	<u>129,468,914</u>	<u>133,713,263</u>
Surplus/(Deficit)	2,058,438	0	(92,283)	(1,291,703)	(3,099,826)	(4,724,669)

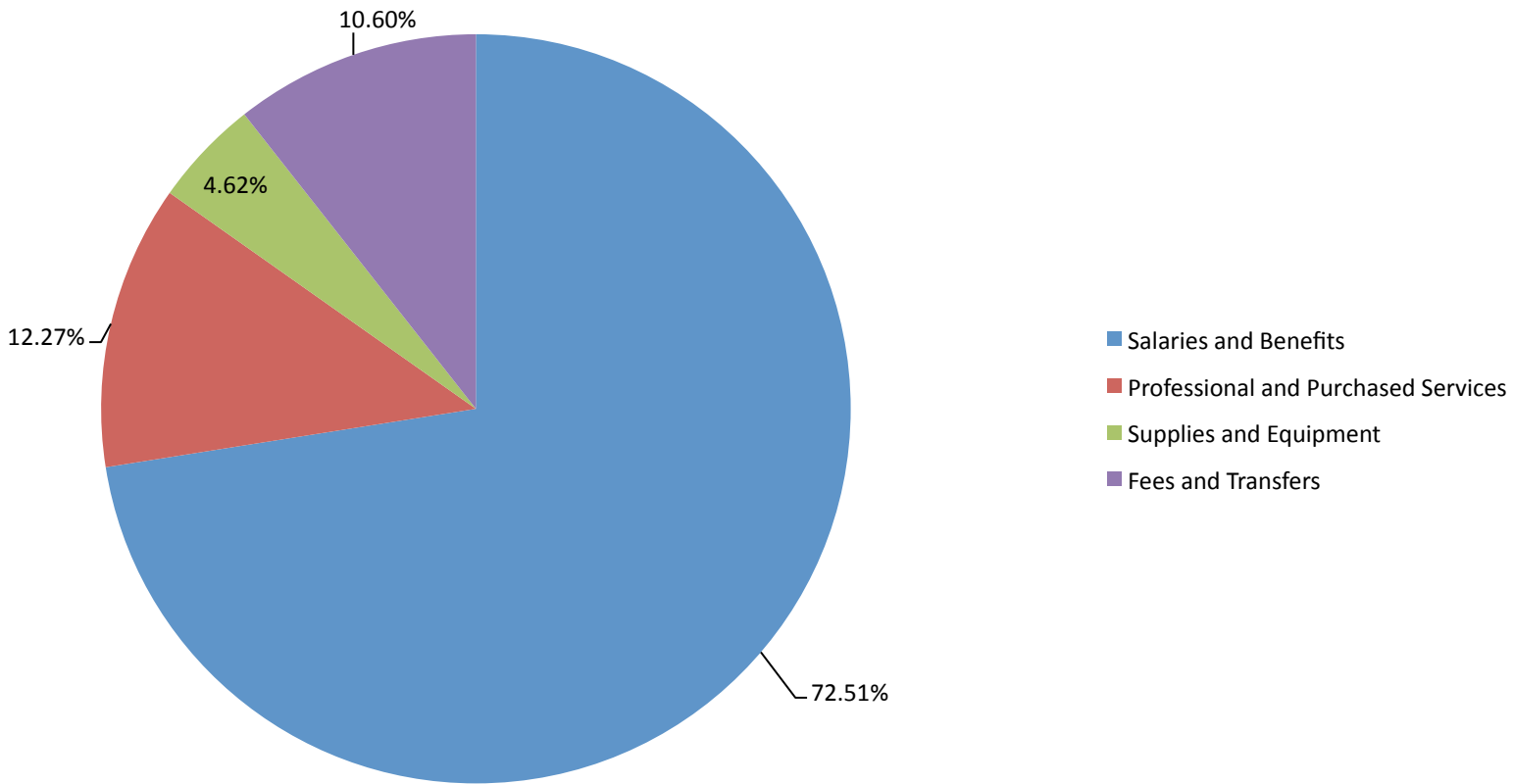
# Expense History

2011-12 Unaudited Expenses



# 2011-12 Expenses by Percentage

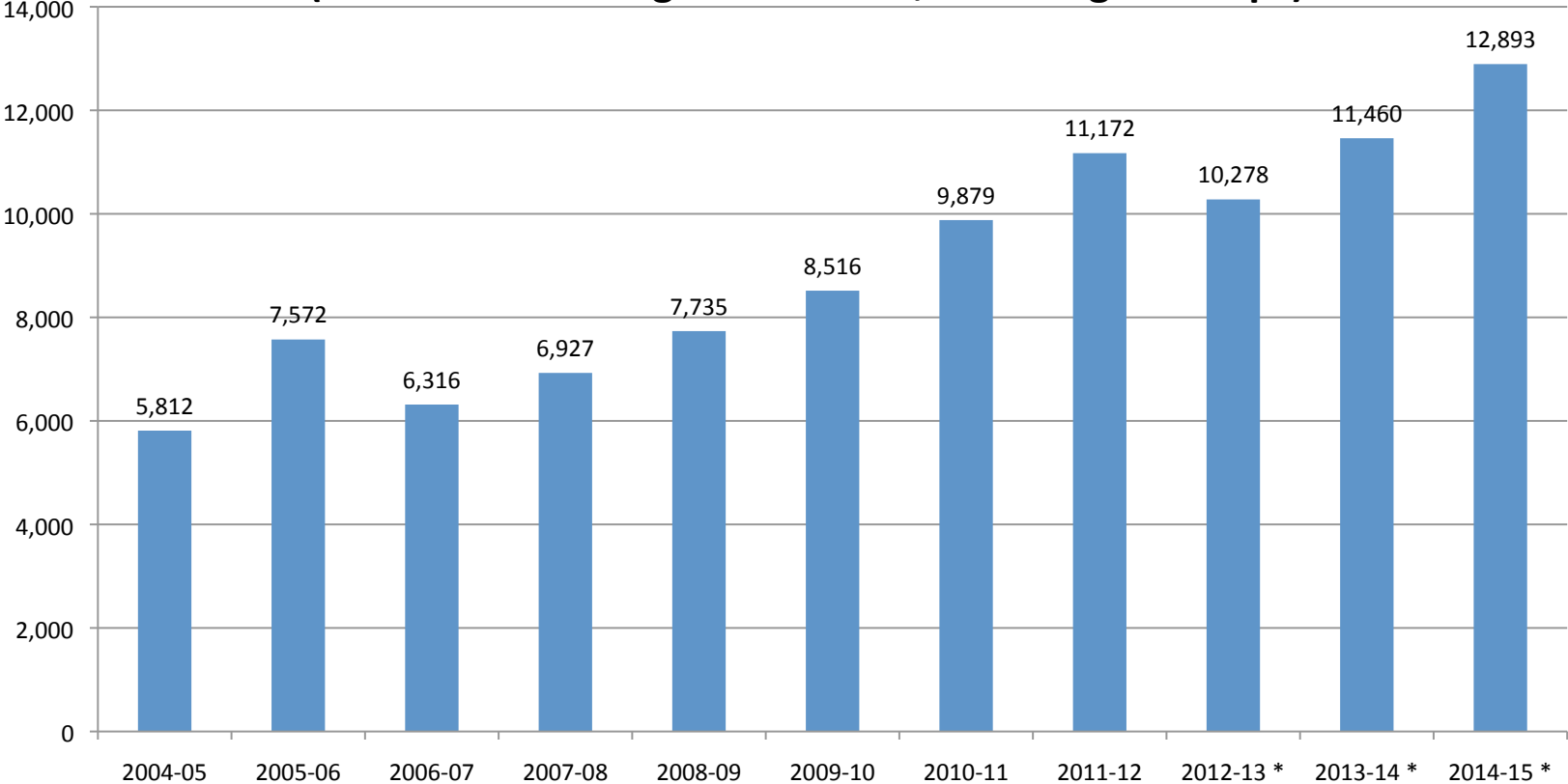
Unaudited



# Medical Insurance Expense

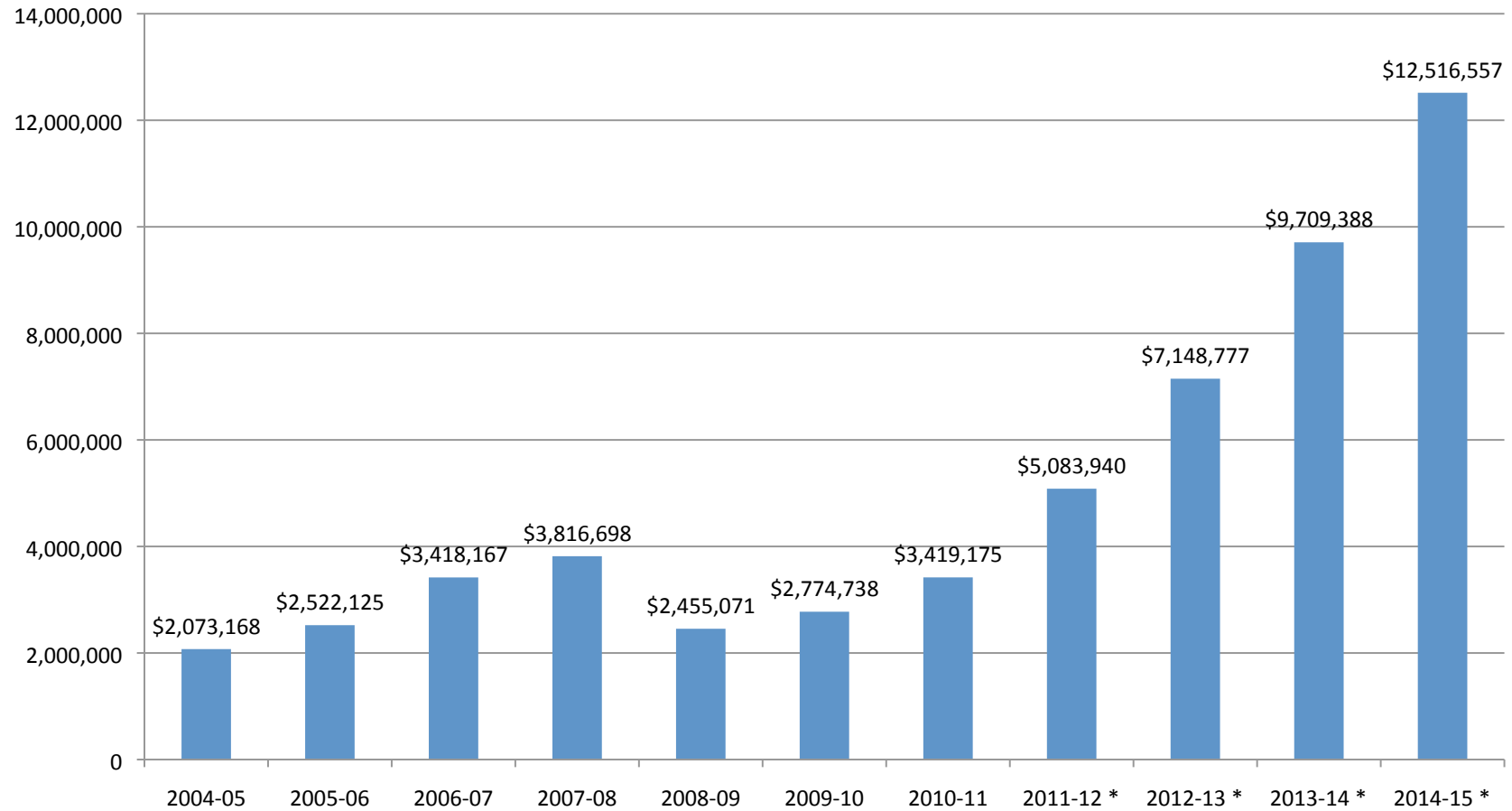
2011-12 Unaudited, 2012-13 and beyond estimated

**District Cost Per Employee**  
**(\* estimated at negotiated rates, including rate caps)**



# PSERS – Public School Employees’ Retirement System District Expense

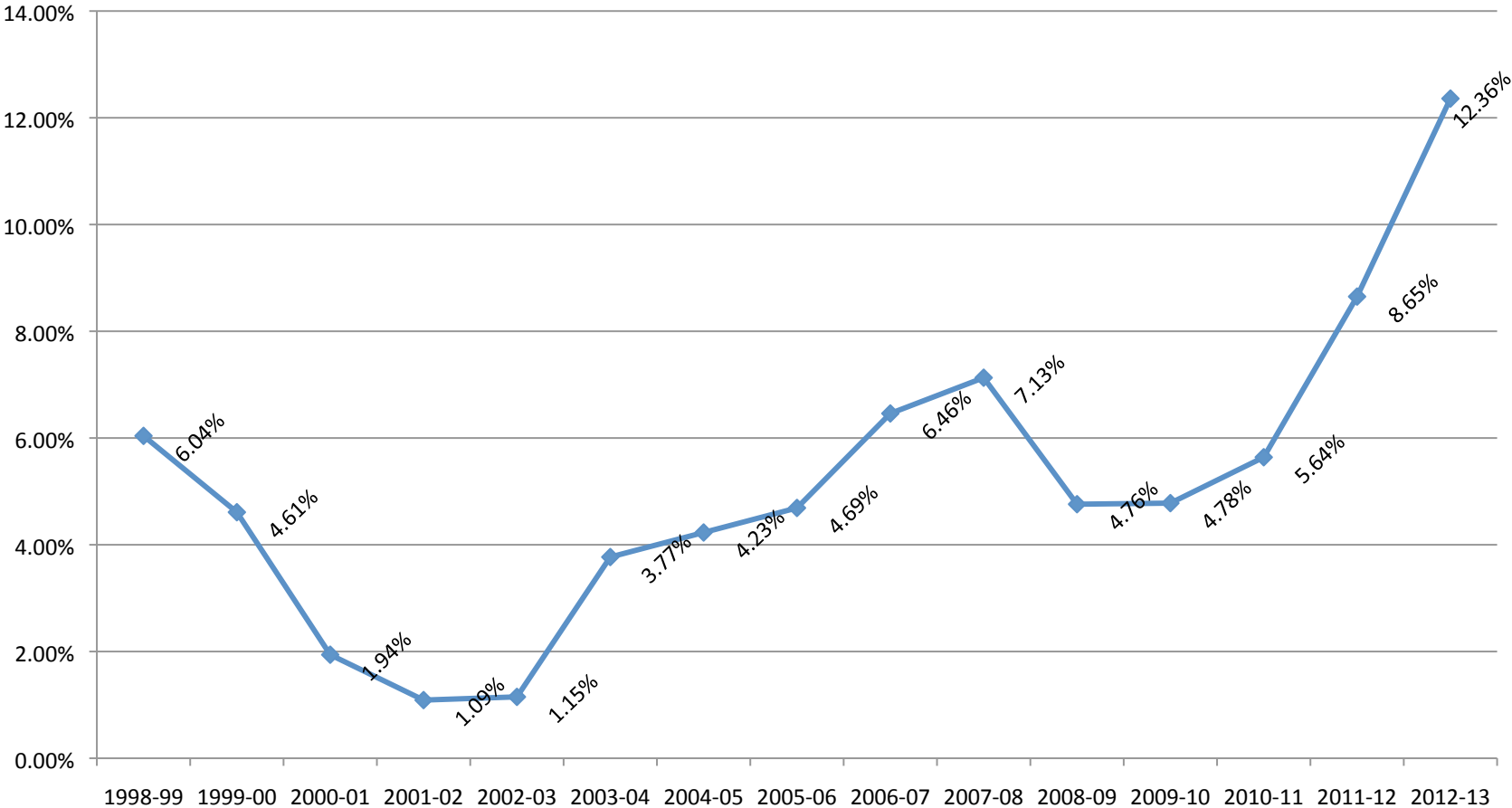
\*2011-12 Unaudited, 2012-13 thru 2014-15 estimated using PSERS projections





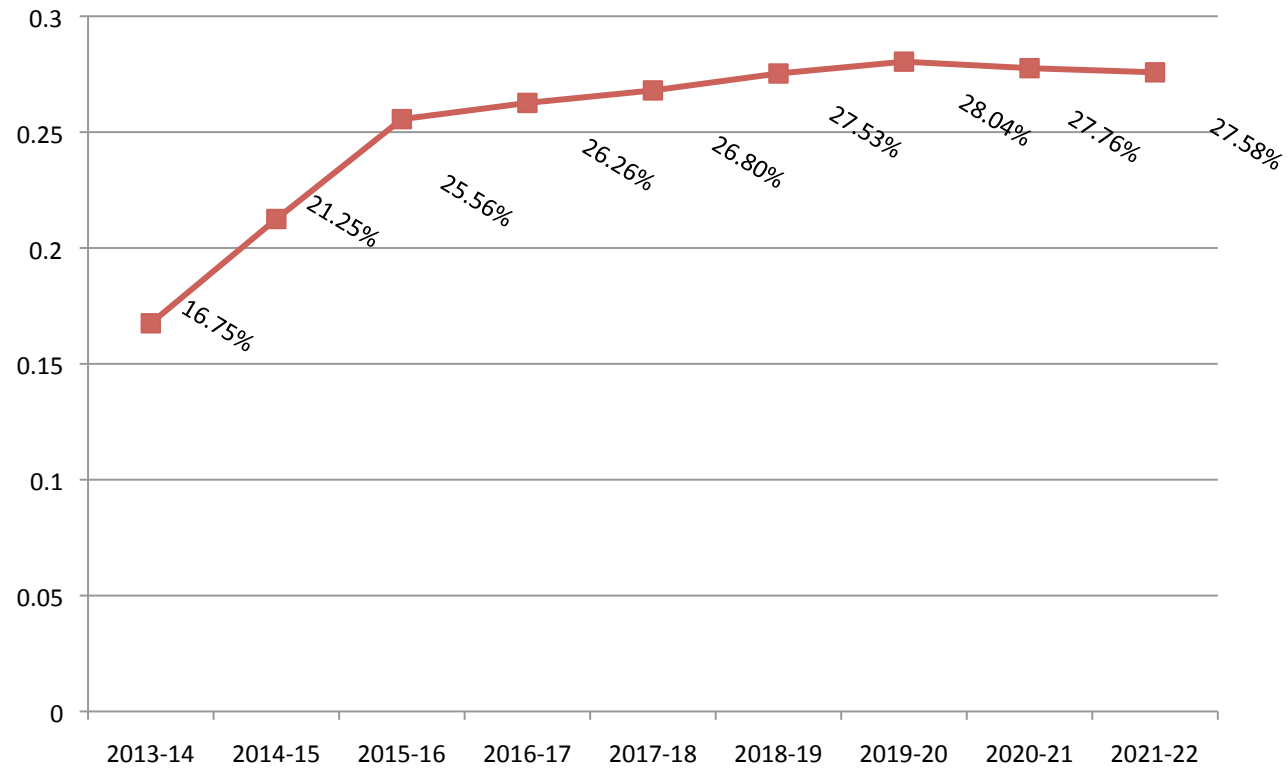
# PSEERS Employer Contribution Rate History

Determined by PSEERS Board



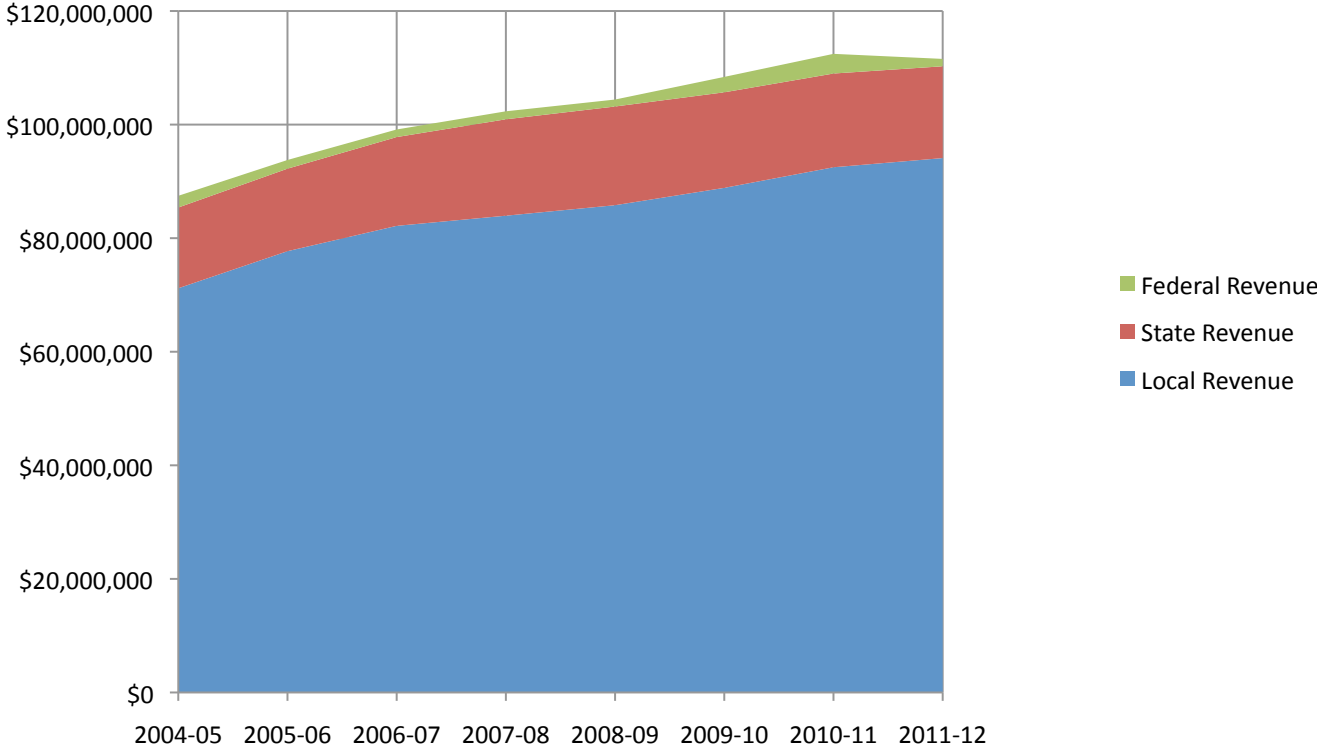
# PSERS Projected Rates

Obtained from psers.org



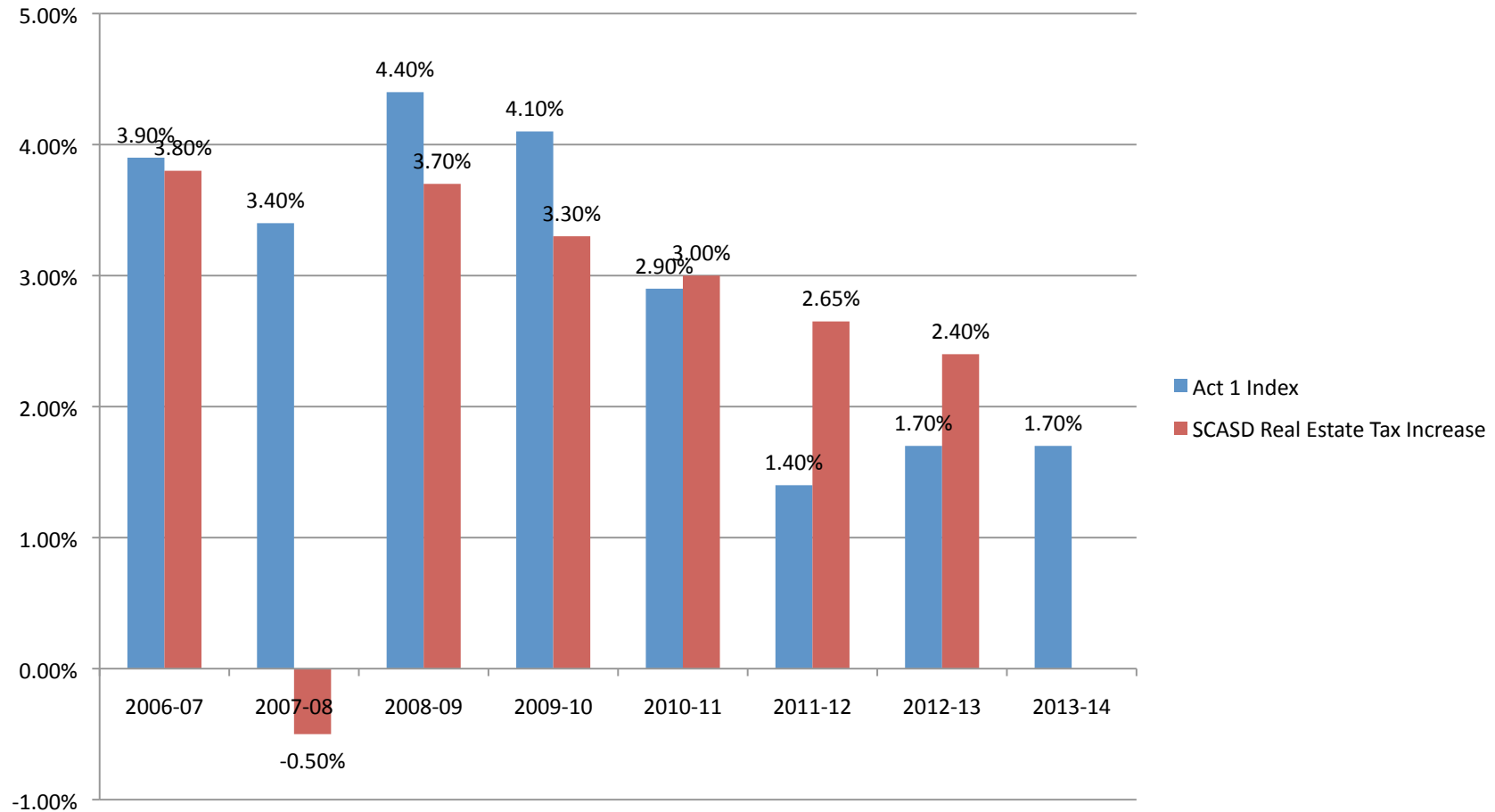
# Revenue History by Source

2011-12 Unaudited



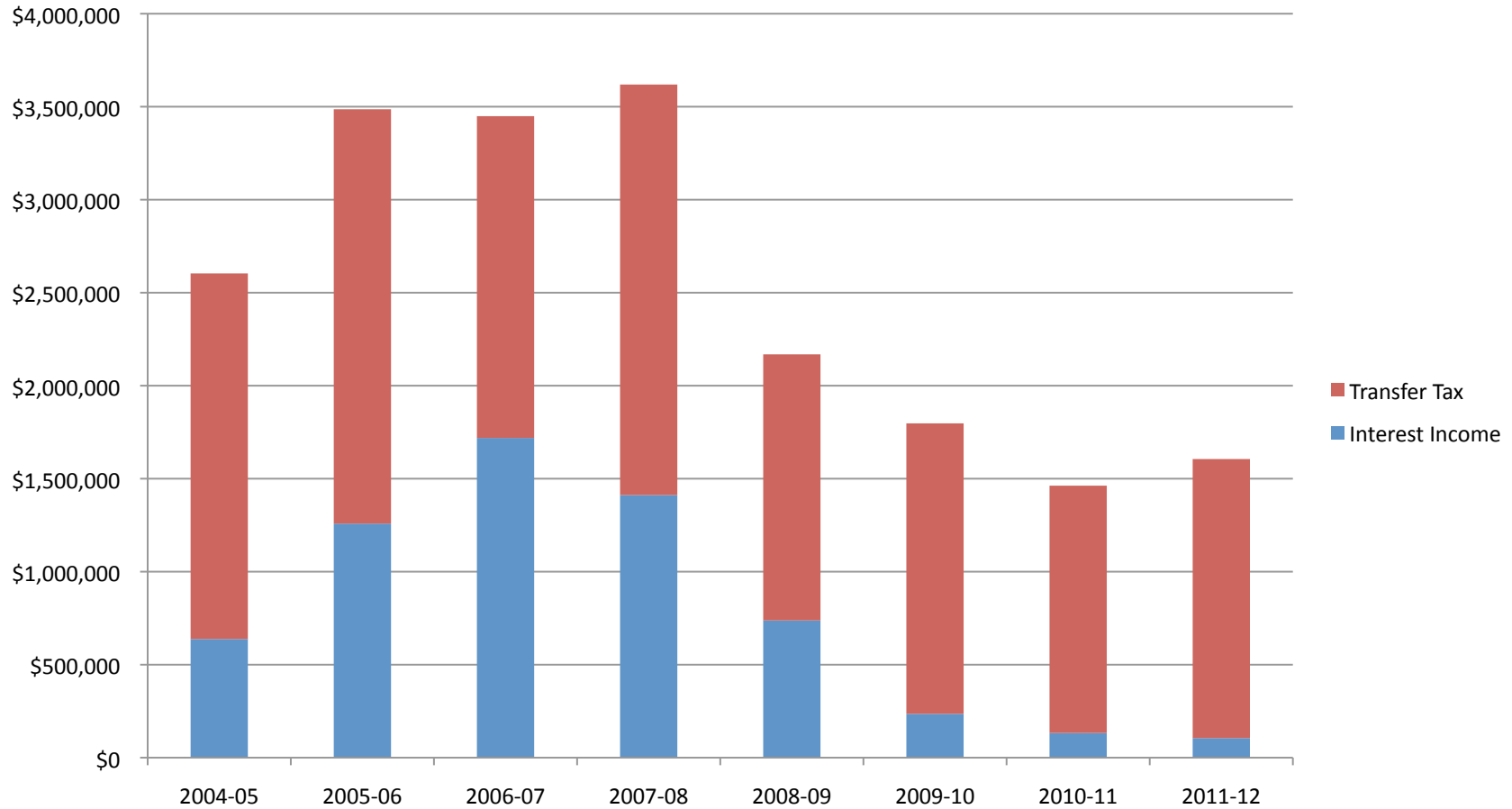
# Act 1 Index vs. SCASD Real Estate Tax Increase

(Act 1 Index limits real estate tax increase; Board must approve any tax increase)



# Interest Income and Transfer Tax

2011-12 Unaudited



# General Fund Balances

Resources for special purposes – “savings account”

<b>Designated: PSERS</b>	<b>\$11,000,000</b>
Undesignated: Revenue shortfalls Expenses from unexpected, catastrophic losses	\$8,500,000

# Capital Reserve Fund Balance

- Must be used for facility/building projects or payment of principal on debt
  - Limited use once transferred to capital reserve
  - Renovations or New Construction
  - \$8.8 million

# Capital Reserve Fund Transfer

- Desire to use Capital Reserve transfer to fund K-8 facility plan over 20 years
  - Elementary: Radio Park, Houserville/Lemont, Corl Street
  - Middle: Park Forest, Mt. Nittany
  - Other: Fairmount
  - Does not include Panorama, Memorial Field, or Nittany Avenue
- 2012-13 transfer \$1,000,000
- Beginning 2013-14 budget \$2.5 million



# Facilities

- Currently 700,000 sq. ft. facilities > 40 yrs old
  - Equal to 12.5 Ferguson Elementary buildings
- Based upon recent construction
  - Cost \$285/square foot
- Cost estimate to update 700,000 sq. ft. facility
  - \$200,000,000
- Half (or more) of facility costs require referendum (i.e. High School)

# Next Steps

- Budget Development Timeline
  - [www.scasd.org](http://www.scasd.org)
- Future Board meeting discussions
- February – Approve Preliminary Budget
- May – Approve Proposed Final Budget
- June – Approve Final Budget

# Questions