



# STATE COLLEGE AREA SCHOOL DISTRICT

## Office of Finance and Operations

240 VILLA CREST DRIVE • STATE COLLEGE PENNSYLVANIA • 16801

TELEPHONE: 814-231-1021 • FAX: 814-231-4130

To: Robert O'Donnell  
 From: Randy Brown and Donna Watson  
 Date: January 19, 2018  
 Re: Budget Development 2018-2019

This budget development update follows our schedule for reviewing and evaluating revenue and expense for the 2018-2019 fiscal year.

- ❖ Community Education (Attachment A)
- ❖ PSERS (Attachment B)
- ❖ Charter School Tuition (Attachment C)
- ❖ Building/Department Budget Methodology

### ***Community Education***

The Community Education department includes Community Education Extended Learning (CEEL), In-Car Driver's Education, and Volunteer in Public Service (VIPS).

*Attachment A* includes the financial results from the previous year, as well as projections for the current and next year. The projected results for 2017-2018 include the expansion of a Lemont Elementary School site with students from Houserville and Lemont which had been transported to Mount Nittany Elementary School. In 2018-2019, a site at Corl Street Elementary School will be opened with students currently transferred to Easterly Parkway Elementary School. This transition will occur at a time during the year following completion of the multi-purpose room. Both of these site expansions are expected to allow for additional enrollments in the CEEL program. The program has been fortunate this

year to expand by approximately 100 students over the prior year. The current waitlist is between 2 - 6 students at each site.

Also included is a request to increase the In-Car Driver Education instructor rate to \$30 per hour. This rate has been static for more than a decade. The request comes from difficulty to attract and retain instructors. This new rate is comparable to the market rates. This request will be included on the next board agenda.

### ***PSERS***

*Attachment B* includes the history of multi-year projections of PSERS employer rates. In addition, historical PSERS employer contribution rate are provided.

The District established dedicated financial reserves for the expected significant increases in PSERS employers contribution rate. These reserves have been used since in 2015-2016. At this point, the balance at the end of 2017-2018 is projected at \$3.8 million. An updated pay forward schedule has been included (dated January 2018). The administration recommends maintaining the previous pay forward schedule in order to allow the reserves to extend.

### ***Charter School Tuition***

*Attachment C* provides historical analysis of charter school enrollments, costs per students, district tuition payments. The payments made by the district to the charter schools is related to the costs to educate our students. Although the enrollments in the charter schools for 2018-2019 are projected to remain constant, the expected increase in tuition rate would result in an increase in total tuition expense for the district.

The finance committee discussed several data points to consider which included:

- Cost to educate special education students in the district
- Special education costs incurred at charter schools
- Range of disabilities and level of service required by both the district and charter schools

The administration will return to the Board with these data points.

### ***Building/Department Budget Methodology***

The budgets for individual buildings and departments throughout the district are based upon a number of factors:

- Number of students per building
- Number of staff members per building
- Type and components of program
  - Elementary middle, secondary
  - English vs. Science
- Supplies and equipment expenditures
  - Technology
  - Consumables vs. textbooks
  - Online resources

A concerted effort to maintain consistent funding per building and pupil has been employed in recent years. This has been achieved in part from having more buildings of comparable sizes. Once Lemont and Houseville are combined into Spring Creek, all buildings with the exception of Park Forest will have similar enrollments and capacities. The combination of Panorama and Boalsburg into Mt. Nittany Elementary several years ago assisted in meeting this goal. Larger numbers of smaller buildings required different levels of fixed costs. In addition, financial efficiencies have resulted from improved group purchasing supporting more similar program offerings across the district. Obviously, our goal is to efficiently use budget resources to present our instructional programs to all students.

Future budget development presentations will look at personnel and benefits in addition to functional categories of the budget.

## **Attachment A**

### Community Education

## SCASD

## Community Education (Including CEEL)

	Actual FY16	Actual FY17	Budget FY 18	Projected FY 18	Budget FY 19
<b>Total Community Ed</b>					
Community Ed Revenue	\$ 1,160,611	\$ 1,040,207	\$ 1,083,891	\$1,183,457	\$ 1,461,100
State PSERS and FICA Reimbursement	78,334	104,511	131,230	163,561	194,129
Total Revenue	1,238,944	1,144,718	1,215,121	1,347,018	1,655,229
Operational Expense	788,531	949,228	1,110,919	1,252,563	1,495,396
Administrative Expense	181,786	199,988	169,448	196,403	211,017
Total Expense	970,317	1,149,216	1,280,367	1,448,966	1,706,413
<b>Total Community Ed Revenue over Expense</b>	<b>\$ 268,628</b>	<b>\$ (4,498)</b>	<b>\$ (65,246)</b>	<b>\$ (101,948)</b>	<b>\$ (51,183)</b>



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STATE COLLEGE AREA SCHOOL DISTRICT  
COMMUNITY EDUCATION

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240 Villa Crest Drive • State College, PA • 16801  
Telephone: 814-231-1061 • Fax: 814-231-1087

To: Board of School Directors  
From: Shannon Messick, Community Education Coordinator  
RE: Driver Education Pay Rate increase  
Date: January 12, 2018

I am requesting a pay rate increase for our in-car Driver Education instructors to \$30.00 per hour. These instructors must carry an Instructional I or Instructional II teaching certification and pass the Pennsylvania Safety Driver Education Teacher Certification Assessment to obtain certification in Safety/Driver Education.

At this time, our pay rate is not competitive with area schools; I am finding it difficult to keep up with enrollments and scheduling as I currently have only one instructor. Due to the certification requirements and the nature of the program, a pay rate increase is necessary to attract quality candidates. This will allow us to better serve our community's driver training needs.

# COMMUNITY EDUCATION PROGRAM UPDATE

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January 2018

# COMMUNITY EDUCATION EXTENDED LEARNING (CEEL) PROGRAM

- Full-time registration fees increased by \$25/month
- Increase in full-time enrollments of 27% versus last year
- Kindergarten scholarship of \$50/month
- Sibling and Employee discounts of 25% for full-time registrants
- Art, language, physical activity, STEM, and student interest-based clubs offered
- Recently opened an additional site at Lemont for Houserville/Lemont students who were previously transported to Mount Nittany
- Anticipate opening Corl Street site this time next year for students who are currently transported to Easterly Parkway (after renovation of multi-purpose room is complete)



# FULL-TIME CEEL ENROLLMENTS

	2017-18	2016-17	2015-16	2014-15	2013-14
Easterly	114	79	47	35	
Ferguson	65	50	18		
Gray's Woods	52	49	29		
Lemont	45				
Mount Nittany	50	76	48		
Park Forest	93	68	43	34	32
Radio Park	80	70	53	35	38
Total	499	392	238	104	70

# OTHER COMMUNITY EDUCATION PROGRAMS

- Volunteers in Public Schools (VIPS) tutoring center served 142 students last school year utilizing more than 120 tutors, an increase over the prior year
- In-Car Driver Education enrollments are down slightly due to a decrease in the number of instructors available; increase in pay rate should alleviate this
- Summer program enrollments were up 16% last year
  - Registration opens on February 19 for Summer 2018 programs

# QUESTIONS OR COMMENTS?



Students work together  
on a kindness project  
at the January 15  
CEEL inservice day.

## **Attachment B**

PSERS

State College Area School District  
May 4, 2016

PSERS Pay forward calculator

	A	B	C	D	E	F	G	H	I
	PSERS Rate	PSERS		PSERS +		Actual/Projected			
	December	Qualifying	PSERS Net	Fund	Additional	Pay Forward	PSERS	"Apparent"	% Tax
Year	2015	Salary (1)	Expense (2)	Contribution	Revenue	Fund	Fund	PSERS rate	Increase for
				(3)	Needed	Contribution	Balance		PSERS
2010-11	5.64%	59,472,381	1,677,121	3,677,121		2,000,000	10,000,000	9.00%	
2011-12	8.65%	56,510,531	2,444,080	3,477,121	-200,000	1,000,000	11,000,000	10.42%	-0.22
2012-13	12.36%	56,622,953	3,499,299	4,156,597	679,475	-2,484,182 (4)	8,515,818	13.27%	0.58
2013-14	16.93%	55,938,252	4,735,173	4,827,856	671,259	56,182 (5)	8,572,000	17.03%	0.75
2014-15	21.40%	56,745,369	6,071,755	5,508,800	680,944	0 (6)	8,572,000	21.40%	0.77
2015-16	25.84%	59,779,865	7,723,559	6,465,278	956,478	-1,258,281	7,313,719	23.74%	1.07
2016-17	30.03%	61,828,415	9,283,537	7,454,533	989,255	-1,829,004	5,484,715	27.07%	1.11
2017-18	32.04%	63,046,192	10,100,000	8,463,272	1,008,739	-1,636,728	3,847,987	29.44%	1.13
2018-19	33.27%	64,322,212	10,700,000	9,492,427	1,029,155	-1,207,573	2,640,414	31.39%	1.16
2019-20	34.20%	65,497,076	11,200,000	10,540,380	1,047,953	-659,620	1,980,794	33.19%	1.18
2020-21	33.51%	66,845,718	11,200,000	10,540,380	0	-396,159 (7)	1,584,635	32.92%	0.00
2021-22	33.51%	68,337,810	11,450,000	10,540,380	0	-396,159 (7)	1,188,477	32.93%	0.00
2022-23	33.75%	69,629,630	11,750,000	10,540,380	0	-396,159 (7)	792,318	33.18%	0.00
2023-24	33.84%	70,921,986	12,000,000	10,540,380	0	-396,159 (7)	396,159	33.28%	0.00
2024-25	33.94%	72,480,849	12,300,000	10,540,380	0	-396,159 (7)	0	33.39%	0.00

(1) Reflects salaries that qualify for PSERS from 2012-13 forward.

(2) Reflects requirement net of assumed 50% reimbursement

(3) Reflects prior year amount increased by 1.2% of current year salary expense through 2014-15 and 1.6% of salary expense from 2015-16 to 2019-20. The PSERS contribution rate beginning in 2020-21 is projected to decrease.

(4) Reflects budgeted \$515,818 addition to PSERS fund, offset by \$3 million assignment to legal liability.

(5) Reflects actual contribution based on 2013-14 budget resolution.

(6) Reflects \$0 actual transfer. Budgeted transfer (use) for 2014-15 was \$598,424.

(7) Assumes use of fund balance through projection period. Based on the projected reduction in the PSERS rates during this period, the PSERS model would calculate additions to fund balance during these years.

**State College Area School District  
January 2018**

**PSERS Pay forward calculator**

	A	B	C		D	E	F	G	H	I
							Actual/Projected			
	PSERS Rate	PSERS			PSERS + Fund	Additional	Pay Forward	PSERS		% Tax
Year	December	Qualifying	PSERS Net		Contribution	Revenue	Fund	Fund	"Apparent"	Increase for
	2017	Salary (1)	Expense (2)		(3)	Needed	Contribution	Balance	PSERS rate	PSERS
2010-11	5.64%	59,472,381	1,677,121		3,677,121		2,000,000	10,000,000	9.00%	
2011-12	8.65%	56,510,531	2,444,080		3,477,121	-200,000	1,000,000	11,000,000	10.42%	-0.20
2012-13	12.36%	56,622,953	3,499,299		4,156,597	679,475	-2,484,182 (4)	8,515,818	13.27%	0.52
2013-14	16.93%	55,938,252	4,735,173		4,827,856	671,259	56,182 (5)	8,572,000	17.03%	0.68
2014-15	21.40%	56,745,369	6,071,755		5,508,800	680,944	0 (6)	8,572,000	21.40%	0.69
2015-16	25.84%	59,779,865	7,723,559	1,651,804	6,465,278	956,478	-1,258,281 (7)	7,313,719	23.74%	0.97
2016-17	30.03%	62,337,536	9,359,981	1,636,423	7,394,379	929,102	-1,829,004 (7)	5,484,715	27.10%	0.94
2017-18	32.57%	65,275,382	10,630,096	1,270,115	8,438,786	1,044,406	-1,636,728 (8)	3,847,987	30.06%	1.06
2018-19	33.43%	68,029,605	11,371,149	741,053	9,527,259	1,088,474	-1,843,889	2,004,098	30.72%	1.11
2019-20	34.79%	69,847,657	12,150,000	778,852	10,644,822	1,117,563	-1,505,178	498,920	32.64%	1.14
2020-21	35.26%	71,469,087	12,600,000	450,000	11,896,183	1,251,361	-498,920	0	34.56%	1.27

(1) Reflects estimated salaries that qualify for PSERS.

(2) Reflects requirement net of assumed 50% reimbursement

(3) Reflects prior year amount increased by 1.2% of current year salary expense through 2014-15 and 1.6% of salary expense from 2015-16 to 2019-21.  
Total reserve utilized by 2020-21.

(4) Reflects budgeted \$515,818 addition to PSERS fund, offset by \$3 million assignment to legal liability.

(5) Reflects actual contribution based on 2013-14 budget resolution.

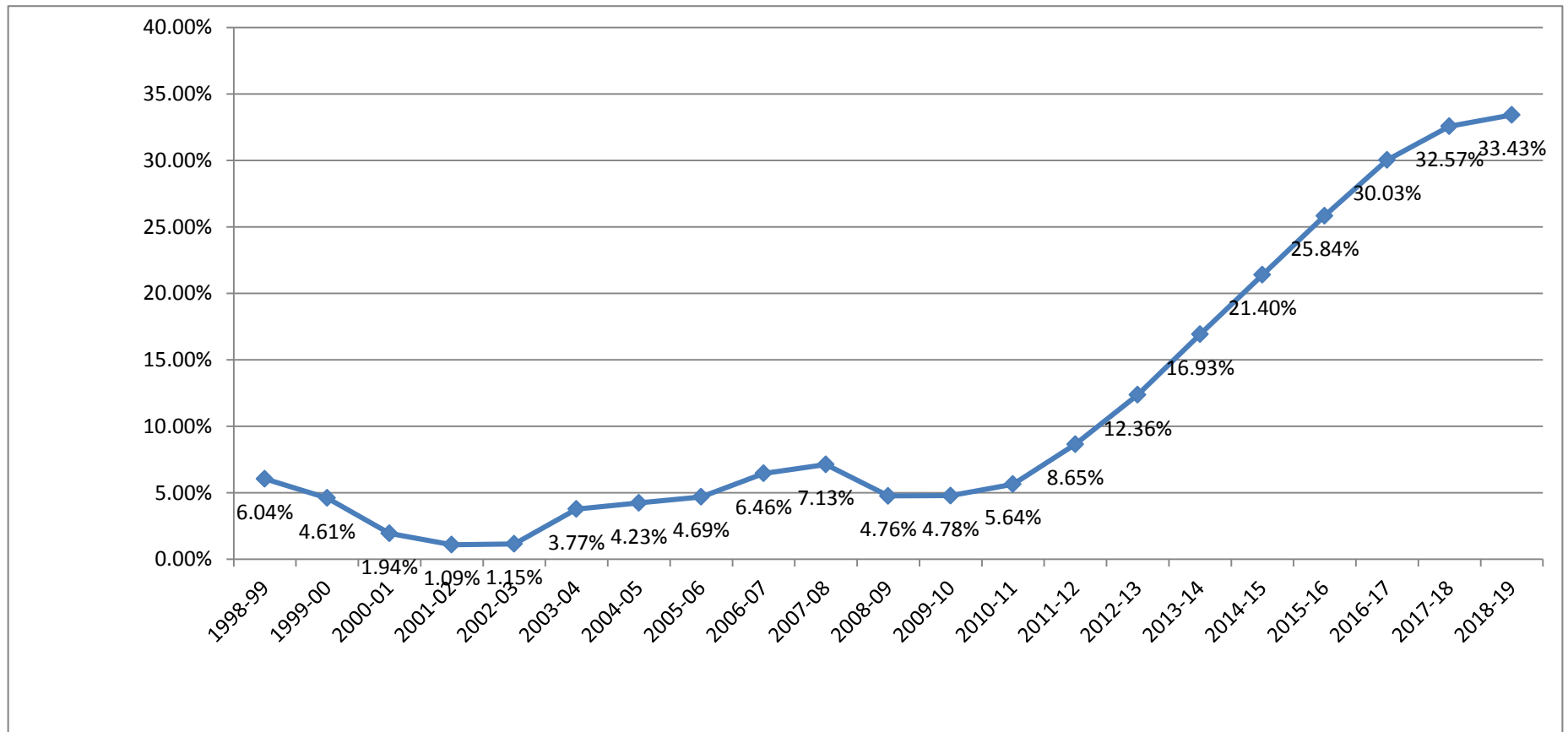
(6) Reflects \$0 actual transfer. Budgeted transfer (use) for 2014-15 was \$598,424.

(7) Reflects actual use of fund balance, per the pay forward analysis as of May 2016.

(8) Reflects budgeted use of fund balance, per the pay forward analysis as of May 2016. Fund balance usage would have been approximately \$560,000 higher if we had updated 2017-18 using the calculator formula.

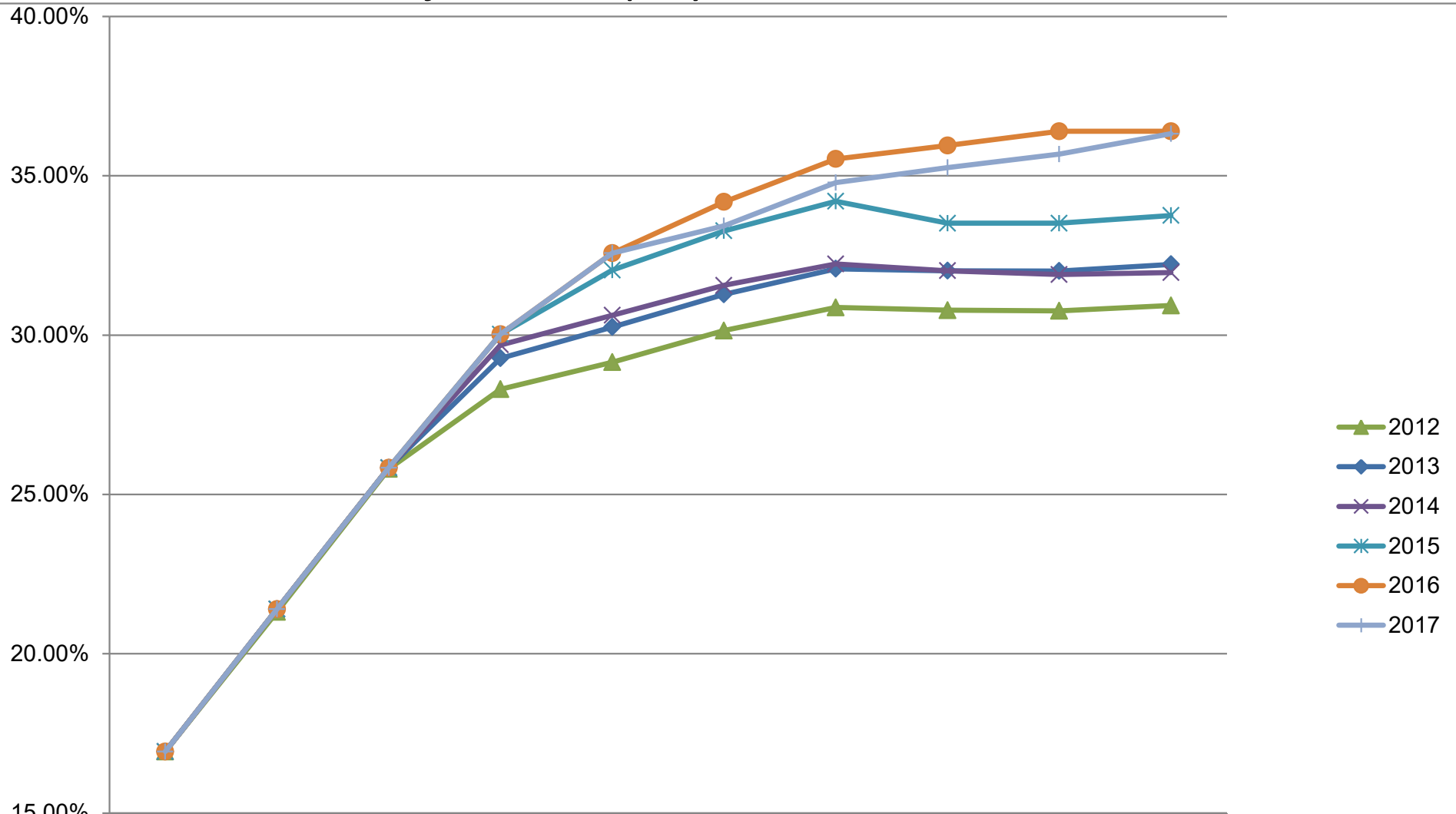
# State College Area School District PSERS Percentage Employer Contributions

VI-D1



# Projected Employer PSERS Rates

VI-D1

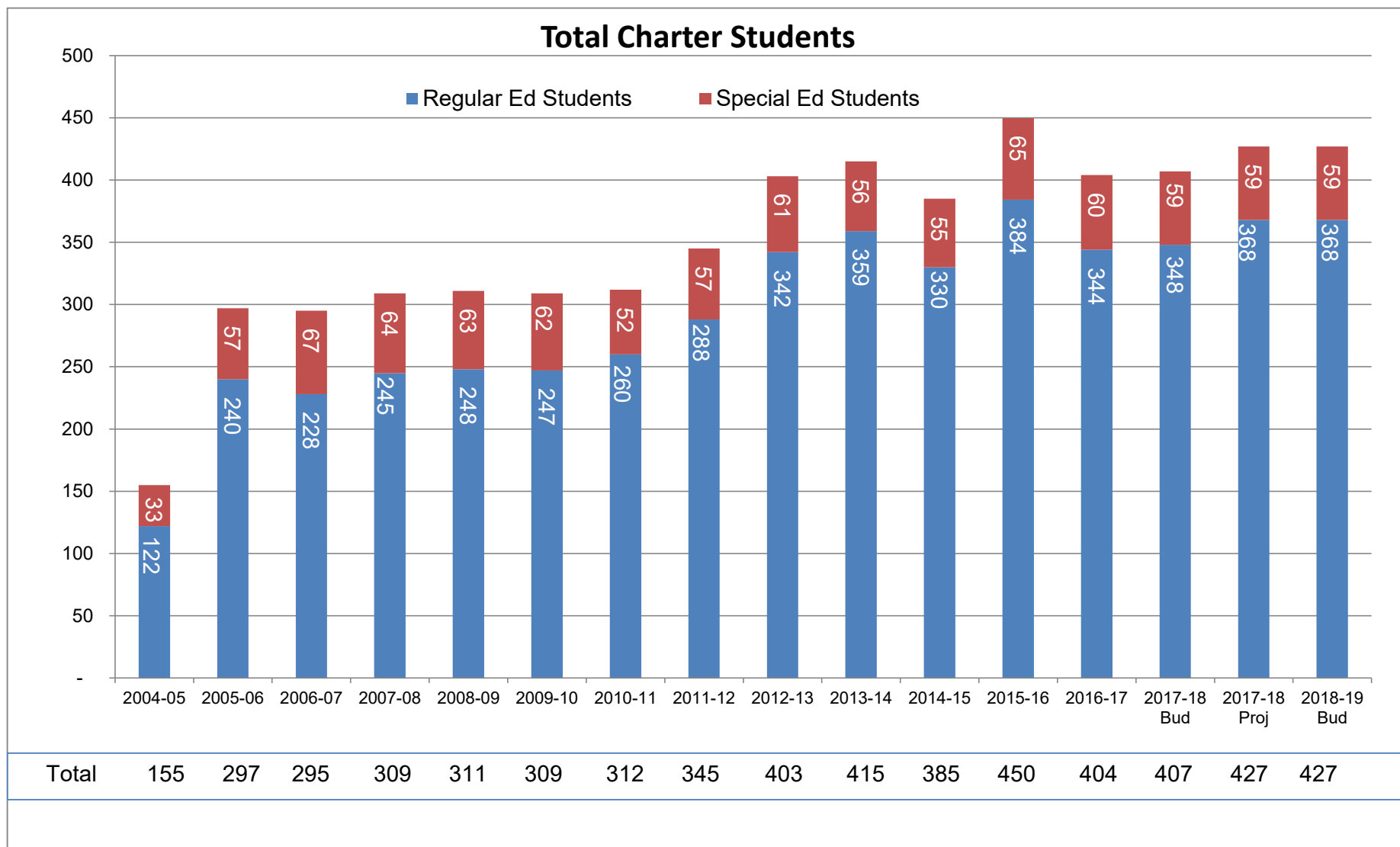


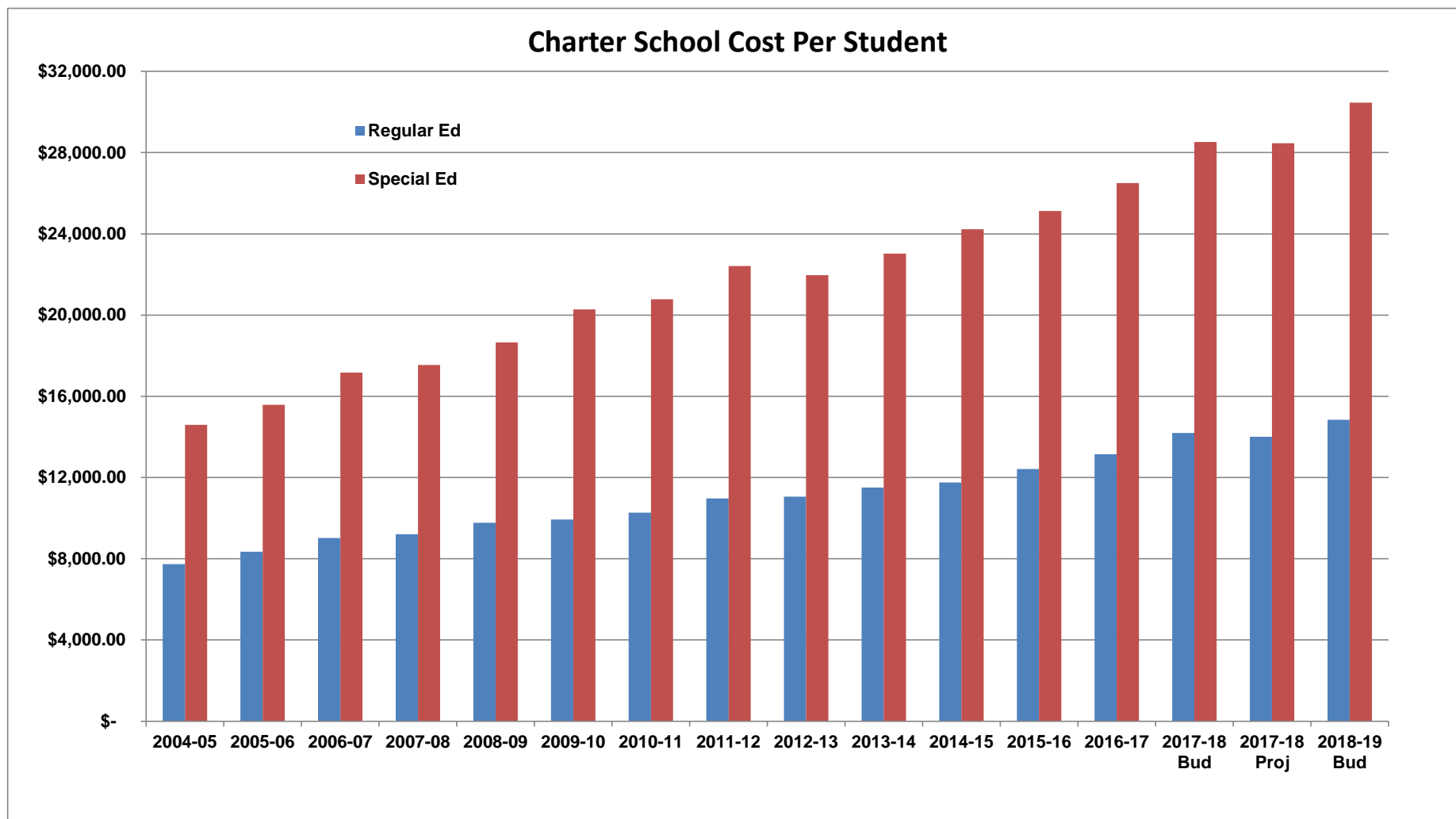
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
2012	16.93%	21.31%	25.80%	28.30%	29.15%	30.14%	30.87%	30.78%	30.76%	30.93%
2013	16.93%	21.40%	25.84%	29.27%	30.25%	31.28%	32.08%	32.02%	32.01%	32.22%
2014	16.93%	21.40%	25.84%	29.69%	30.62%	31.56%	32.23%	32.02%	31.90%	31.96%
2015	16.93%	21.40%	25.84%	30.03%	32.04%	33.27%	34.20%	33.51%	33.51%	33.75%
2016	16.93%	21.40%	25.84%	30.03%	32.57%	34.18%	35.53%	35.95%	36.40%	36.40%
2017	16.93%	21.40%	25.84%	30.03%	32.57%	33.43%	34.79%	35.26%	35.68%	36.32%

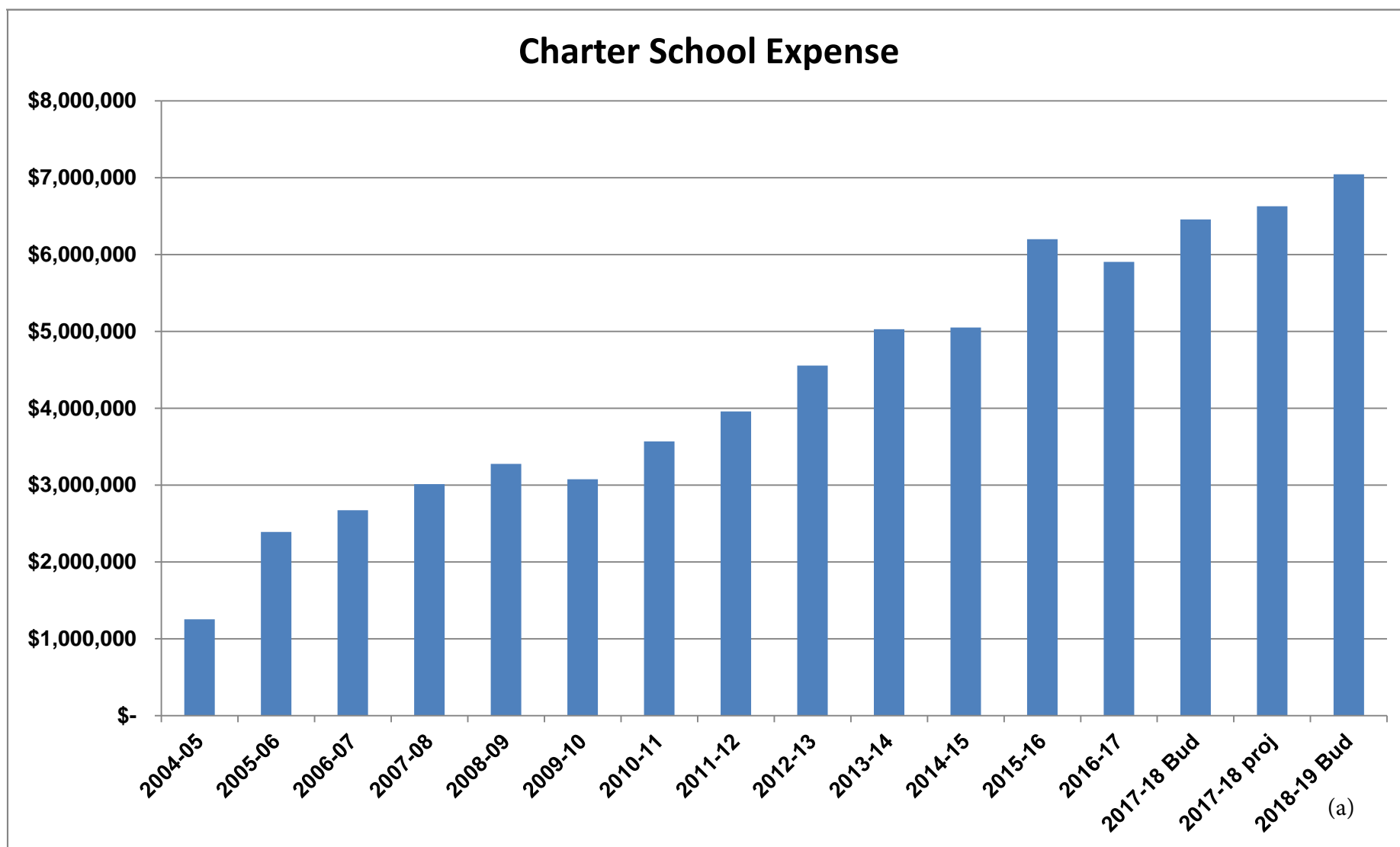


## **Attachment C**

### Charter School Tuition







(a) Assumes level enrollment with projected 2017-18 and an estimated cost per student increase comparable to prior years (6% regular ed; 7% special ed).