



STATE COLLEGE AREA SCHOOL DISTRICT

Office of Finance and Operations

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VI-A

To: Robert O'Donnell
From: Randy Brown and Donna Watson
Date: December 14, 2017
Re: Budget Development 2018-2019

The purpose of this budget development update is two fold:

1. To discuss the opt out resolution alternative in the 2018-19 budget process under Act 1, where the index is 2.4%
2. To review the impact of the costs associated with the proposed student day changes.

This proposed preliminary budget for 2018-19 results with an ending unassigned fund balance of 8%, approximately the same level as projected at the end of 2017-18. Although this proposal includes the estimated costs for the elementary school day changes, the administration assumes any other additional expenses would be funded through transfers of existing budgeted resources as has become district practice. Thus, the cost of this program proposal is possible within the district's estimated revenue.

In addition, the unassigned fund balance through the 2027-28 budget year is estimated to maintain above 7%. The assumptions in the revenue and expense budgets throughout this period maintain our current parameter estimates. These estimates show the viability of this proposal from a long term financial viewpoint.

The fund balance projection on page 36 reflect no tax increase in 2018-19. The ending unassigned fund balance as estimated on this page is projected, with all other factors being the same, to become negative in 2022-23. This decline in fund balance demonstrates the impact of one year (2018-19 in this case) with no tax increase.

Summary of projections in attachment:

To aid this discussion, 2017-18 revenue and expense projections have been updated.

- ❖ Revenue increase based upon actual assessed value as of July 1, 2017
- ❖ Expense projections:
 - Salaries: refined estimates based upon current employee complement plus the addition of custodians for the high school project
 - Health Insurance: refined estimates based upon actual rates
 - Charter School Tuition updated based upon current year enrollments

The proposed preliminary budget for 2018-19 includes:

❖ Revenue:

- Estimated real estate tax increase at Act 1 Index 2.4% with an additional proposal assuming no tax increase
- Estimated assessed value adjusted to reflect 7/1/2017 actual and changes result from recent tax assessment appeals
- Revised estimated growth in EIT based upon expectations
- Inclusion of anticipated receipt of DCED grant funds for high school

❖ Expenses:

- Salaries: refined estimates based upon current employee complement, with and without the proposed student day expenses
- Health Insurance: refined estimates based upon current year complement and projected rate increase
- Charter School Tuition estimates updated based upon current year enrollments
- Curriculum materials and supplies for proposed student day expenses

Attachment A

Comparative Statements

**State College Area School District
General Fund Revenue
Budget vs. Projection 2017-18**

	Budget 2017-2018	Projected 2017-2018	Variance
LOCAL SERVICES TAX			
CURRENT REAL ESTATE TAX	\$91,772,524	\$92,118,130	\$345,606
REAL ESTATE TAX-REFERENDUM DEBT	4,945,363	4,945,363	0
EARNED INCOME TAX	17,350,000	17,480,000	130,000
REALTY TRANSFER TAX	2,082,000	2,194,000	112,000
DELINQUENT REAL ESTATE TAX	1,100,000	1,100,000	-
INTERIM REAL ESTATE TAX	600,000	600,000	-
IDEA-B	740,000	742,380	2,380
PAYMENTS IN LIEU OF TAX	620,356	648,561	28,205
LOCAL SERVICES TAX	385,000	398,000	13,000
TUITION	1,150,304	1,190,638	40,334
MISC LOCAL REVENUE	644,100	570,508	(73,592)
PUBLIC UTILITY REALTY TAX	117,190	117,190	-
INTEREST ON INVESTMENTS	150,000	350,000	200,000
TOTAL LOCAL	121,656,837	122,454,770	797,933
STATE			
BASIC ED INSTR SUBSIDY	7,543,140	7,724,480	181,340
SPECIAL ED REVENUE-REGULR	3,268,768	3,292,893	24,125
REV. FOR RETIREMENT	10,596,050	10,630,096	34,046
REV. FOR SOCIAL SECURITY	2,492,079	2,483,544	(8,535)
PROPERTY TAX REDUCTION	1,424,050	1,424,050	-
TRANSPORTATION REVENUE	800,000	800,000	-
BOND REIMBURSEMENTS	632,953	321,430	(311,522)
HEALTH SERVICES REVENUE	140,000	140,000	-
READY TO LEARN GRANT	310,013	310,013	-
VOCATIONAL EDUCATION	90,891	135,000	44,109
OTHER STATE REVENUE	0	0	-
TUITION - 1305/1306	130,000	130,000	-
TOTAL STATE	27,427,944	27,391,506	(36,438)
FEDERAL			
TITLE I REVENUE	600,000	713,000	113,000
TITLE II REVENUE	200,000	180,000	(20,000)
ACCESS FUNDS	250,000	250,000	-
OTHER FEDERAL REVENUE	60,000	86,156	26,156
TITLE III REVENUE	35,000	35,000	-
TOTAL FEDERAL	1,145,000	1,264,156	119,156
TOTAL REVENUE	\$150,229,781	\$151,110,433	\$880,652

**State College Area School District
General Fund Expenses and Fund Balance Transfers
Budget vs. Projection 2017-18**

	2017-2018 Approved Budget	2017-2018 Projected	Variance
Salaries	\$66,482,030	\$66,662,469	\$180,439
Health Insurance	13,114,783	12,825,988	(288,795)
PSERS	21,192,019	21,260,192	68,173
Other Benefits	6,655,842	6,679,425	23,582
Professional Services	3,555,248	3,566,755	11,507
Purchased Property Services	1,245,492	1,248,428	2,936
Charter School Expense	6,457,500	6,629,298	171,798
Other Purchased Services	5,646,957	5,889,497	242,540
Supplies/Equipment	6,785,675	6,785,675	0
Minor Capital Projects	2,138,768	2,138,768	0
Transfers/contingencies	2,310,830	2,268,980	(41,850)
Debt Service	5,014,259	7,486,050	2,471,791
Debt Service - Referendum Debt	5,257,725	5,257,725	0
Transfer to Capital Reserve	6,265,122	3,793,331	(2,471,791)
Fund Balance Use (PSERS/Legal)	(2,186,728)	(2,186,728)	-
Total Expenses and Fund Balance Transfers	\$149,935,522	\$150,305,853	\$370,331

**State College Area School District
General Fund Revenue
Projected 2017-18 vs. Preliminary Budget 2018-19**

	Projected 2017-2018	Budget 2018-2019	Variance	Proposed Student Day (1)
LOCAL SERVICES TAX				
CURRENT REAL ESTATE TAX	\$92,118,130	\$95,491,597	\$3,373,467	-
REAL ESTATE TAX-REFERENDUM DEBT	4,945,363	4,941,977	(3,386)	-
EARNED INCOME TAX	17,480,000	17,830,000	350,000	-
REALTY TRANSFER TAX	2,194,000	2,194,000	-	-
DELINQUENT REAL ESTATE TAX	1,100,000	1,100,000	-	-
INTERIM REAL ESTATE TAX	600,000	600,000	-	-
IDEA-B	742,380	740,000	(2,380)	-
PAYMENTS IN LIEU OF TAX	648,561	648,561	-	-
LOCAL SERVICES TAX	398,000	402,000	4,000	-
TUITION	1,190,638	1,513,346	322,708	-
MISC LOCAL REVENUE	570,508	573,112	2,604	-
PUBLIC UTILITY REALTY TAX	117,190	117,190	-	-
INTEREST ON INVESTMENTS	350,000	250,000	(100,000)	-
TOTAL LOCAL	122,454,770	126,401,783	3,947,012	-
STATE				
BASIC ED INSTR SUBSIDY	7,724,480	7,724,480	-	-
SPECIAL ED REVENUE-REGULR	3,292,893	3,292,893	-	-
REV. FOR RETIREMENT	10,630,096	11,371,149	741,053	153,394
REV. FOR SOCIAL SECURITY	2,483,544	2,603,297	119,753	34,285
PROPERTY TAX REDUCTION	1,424,050	1,424,050	-	-
TRANSPORTATION REVENUE	800,000	800,000	-	-
BOND REIMBURSEMENTS	321,430	633,004	311,574	-
HEALTH SERVICES REVENUE	140,000	140,000	-	-
READY TO LEARN GRANT	310,013	310,013	-	-
VOCATIONAL EDUCATION	135,000	100,000	(35,000)	-
OTHER STATE REVENUE	0	1,935,393	1,935,393	-
TUITION - 1305/1306	130,000	130,000	-	-
TOTAL STATE	27,391,507	30,464,279	3,072,773	187,679
FEDERAL				
TITLE I REVENUE	713,000	600,000	(113,000)	-
TITLE II REVENUE	180,000	180,000	-	-
ACCESS FUNDS	250,000	250,000	-	-
OTHER FEDERAL REVENUE	86,156	60,000	(26,156)	-
TITLE III REVENUE	35,000	35,000	-	-
TOTAL FEDERAL	1,264,156	1,125,000	(139,156)	-
TOTAL REVENUE	\$151,110,433	\$157,991,062	\$6,880,629	\$187,679

(1) Includes the PSERS and Social Security reimbursement related to the proposed student day costs as included in the budget 2018-19 column.

State College Area School District
General Fund Expenses and Fund Balance Transfers
Projected 2017-18 vs. Preliminary Budget 2018-19

	(A) Projected 2017- 2018	(B) Budget 2018-2019 (1)	(C) Variance	(D) Proposed Student Day Impact (2)
Salaries	\$ 66,662,469	\$ 69,449,042	\$ 2,786,573	\$ 897,725
Health Insurance	12,825,988	14,133,888	1,307,900	155,655
PSERS	21,260,192	22,742,298	1,482,106	306,842
Other Benefits	6,679,425	6,905,360	225,935	82,457
Professional Services	3,566,755	3,630,000	63,245	-
Purchased Property Services	1,248,428	1,270,000	21,572	-
Charter School Expense	6,629,298	7,043,347	414,049	-
Other Purchased Services	5,889,497	6,340,000	450,503	350,000
Supplies/Equipment	6,785,675	7,150,000	364,325	300,000
Minor Capital Projects	2,138,768	2,181,543	42,775	-
Transfers/contingencies	2,268,980	1,781,495	(487,485)	-
Debt Service	7,486,050	7,613,533	127,483	-
Debt Service - Referendum Debt	5,257,725	5,254,125	(3,600)	-
Transfer to Cap Projects-DCED Grant	-	1,935,393	1,935,393	-
Transfer to Capital Reserve	3,793,331	1,317,200	(2,476,131)	-
Fund Balance Use (PSERS/Legal)	(2,186,728)	(1,207,573)	979,155	-
Total Expenses and Fund Balance Transfers	\$150,305,853	\$157,539,651	\$7,233,798	
Proposed Student Day Expense Impact				2,092,679
Less PSERS and Social Security Reimbursement (3)				187,679
Net Proposed Student Day Impact				\$ 1,905,000

(1) Includes proposed student day changes for 2018-19 school year. These changes include the following recurring costs: Transportation, Fifth Special (Staffing of 10 FTE teachers and curriculum resources), Support staff (special education and recess supervision) and include the following non-recurring costs: Transportation (vehicle replacement) and curriculum resources for fifth elementary special.

(2) Student day impact as it is included in the Budget 2018-19 column (Column B).

(3) The PSERS and Social Security Reimbursement is reflected in the preliminary Revenue Budget for 2018-19.

**State College Area School District
General Fund Revenue
Actuals 2016-17**

	Actuals 2016-17
LOCAL SERVICES TAX	
CURRENT REAL ESTATE TAX	\$89,403,014
REAL ESTATE TAX-REFERENDUM DEBT	4,943,999
EARNED INCOME TAX	17,139,905
REALTY TRANSFER TAX	2,612,935
DELINQUENT REAL ESTATE TAX	1,011,409
INTERIM REAL ESTATE TAX	631,353
IDEA-B	749,006
PAYMENTS IN LIEU OF TAX	620,356
LOCAL SERVICES TAX	393,703
TUITION	1,126,167
MISC LOCAL REVENUE	712,637
PUBLIC UTILITY REALTY TAX	117,190
INTEREST ON INVESTMENTS	<u>277,154</u>
TOTAL LOCAL	119,738,828
STATE	
BASIC ED INSTR SUBSIDY	7,543,444
SPECIAL ED REVENUE-REGULR	3,270,067
REV. FOR RETIREMENT	9,388,660
REV. FOR SOCIAL SECURITY	2,328,362
PROPERTY TAX REDUCTION	1,424,101
TRANSPORTATION REVENUE	927,949
BOND REIMBURSEMENTS	584,229
HEALTH SERVICES REVENUE	142,902
READY TO LEARN GRANT	310,013
VOCATIONAL EDUCATION	154,017
OTHER STATE REVENUE	2,017,555
TUITION - 1305/1306	<u>134,739</u>
TOTAL STATE	28,226,038
FEDERAL	
TITLE I REVENUE	762,693
TITLE II REVENUE	164,094
ACCESS FUNDS	371,333
OTHER FEDERAL REVENUE	69,589
TITLE III REVENUE	<u>111,637</u>
TOTAL FEDERAL	1,479,346
TOTAL REVENUE	<u>\$149,444,212</u>

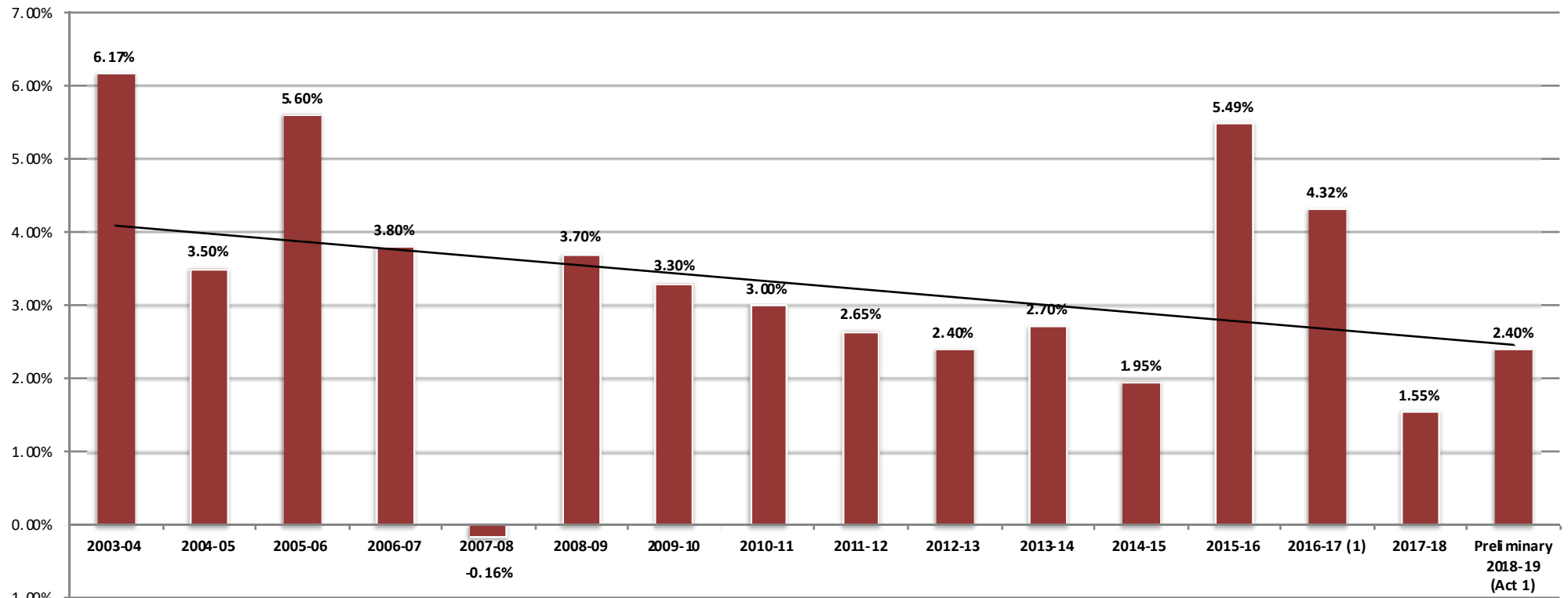
**State College Area School District
General Fund Expenses and Fund Balance Transfers
Actuals 2016-17**

	Actuals 2016-17
Salaries	63,891,205
Health Insurance	12,415,394
PSERS	18,719,962
Other Benefits	6,387,569
Professional Services	3,328,268
Purchased Property Services	1,332,485
Charter School Expense	5,904,490
Other Purchased Services	5,802,701
Supplies/Equipment	6,913,473
Minor Capital Projects	2,617,170
Transfers/contingencies	1,251,815
Debt Service	4,899,647
Debt Service - Referendum Debt	5,256,275
Transfer to Cap Projects-DCED Grant	2,000,000
Transfer to Capital Reserve	10,329,898
Fund Balance Use (PSERS/Legal)	(2,379,004)
Total Expenses and Fund Balance Transfers	<u><u>\$148,671,348</u></u>

Attachment B

Revenue Graphs and Reconciliations

Real Estate Tax Increase

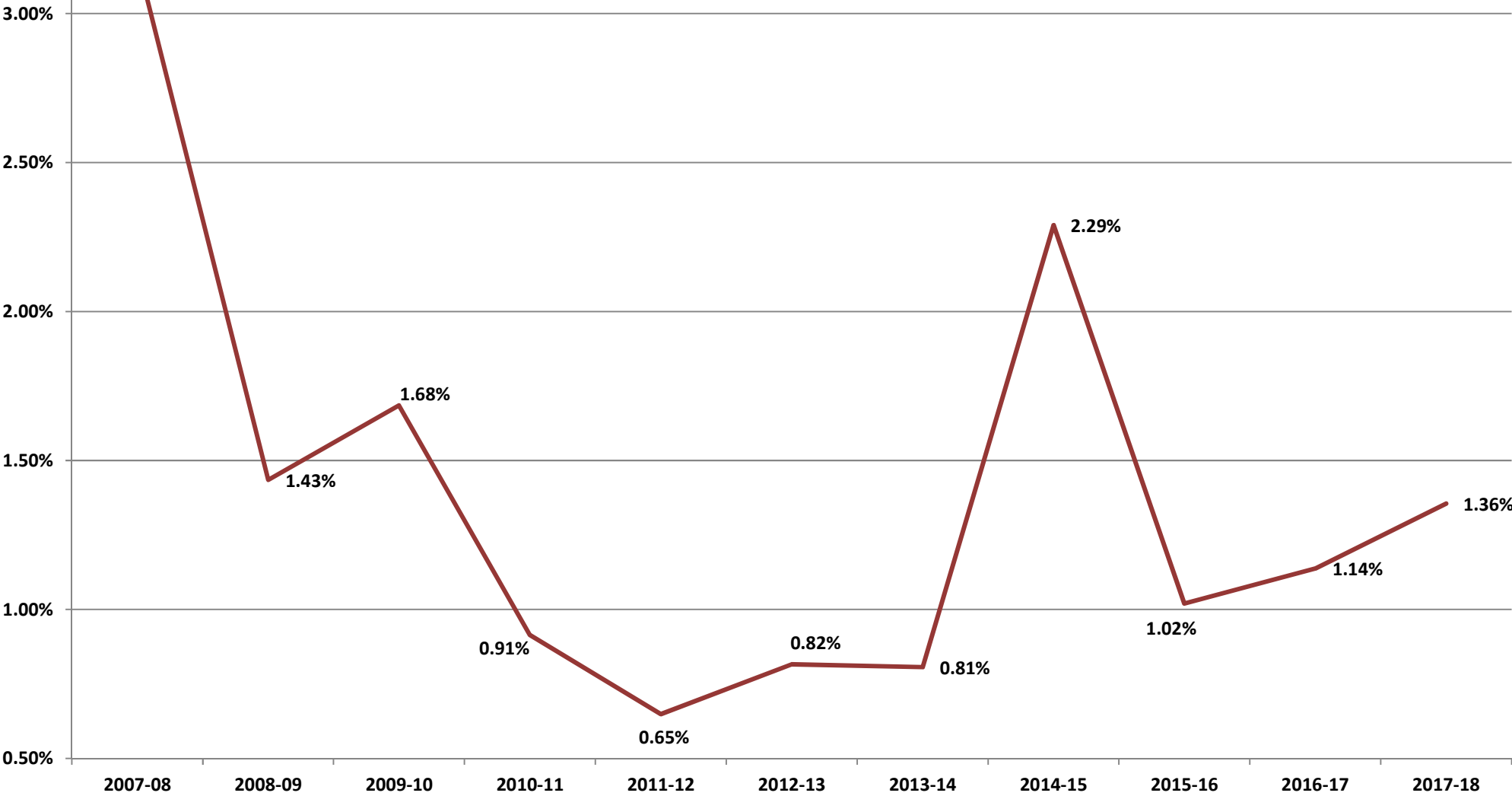


(1) Act 1 Index 2.4%, exceptions 1.92%

Average since 2006-2007 - 2.89%

5-Year Average increase excluding exceptions - 2.10%

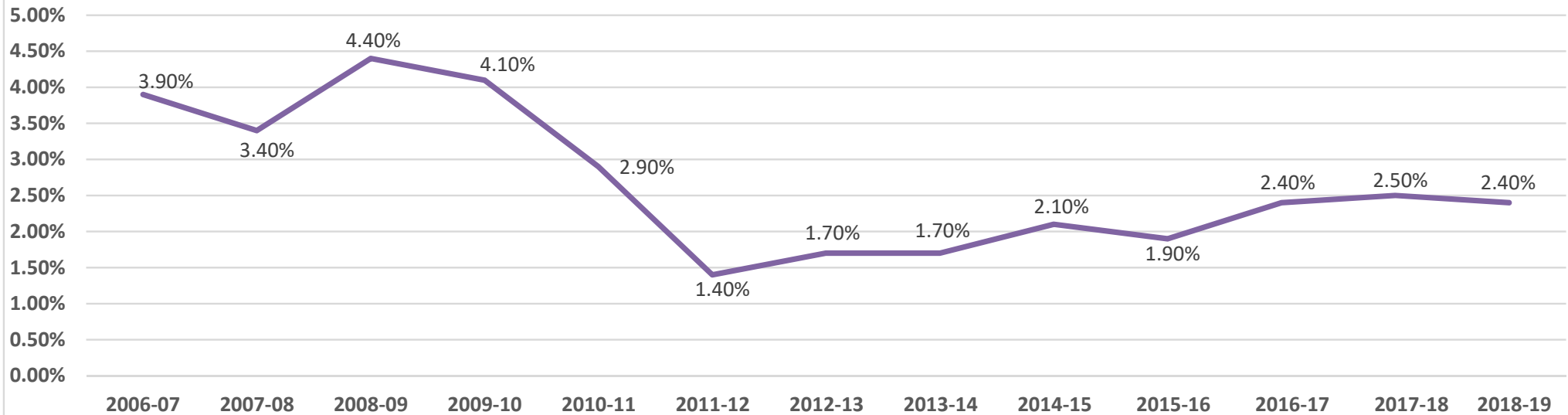
Historical Assessed Value Growth



5- year average 1.32%
10-year average 1.21%

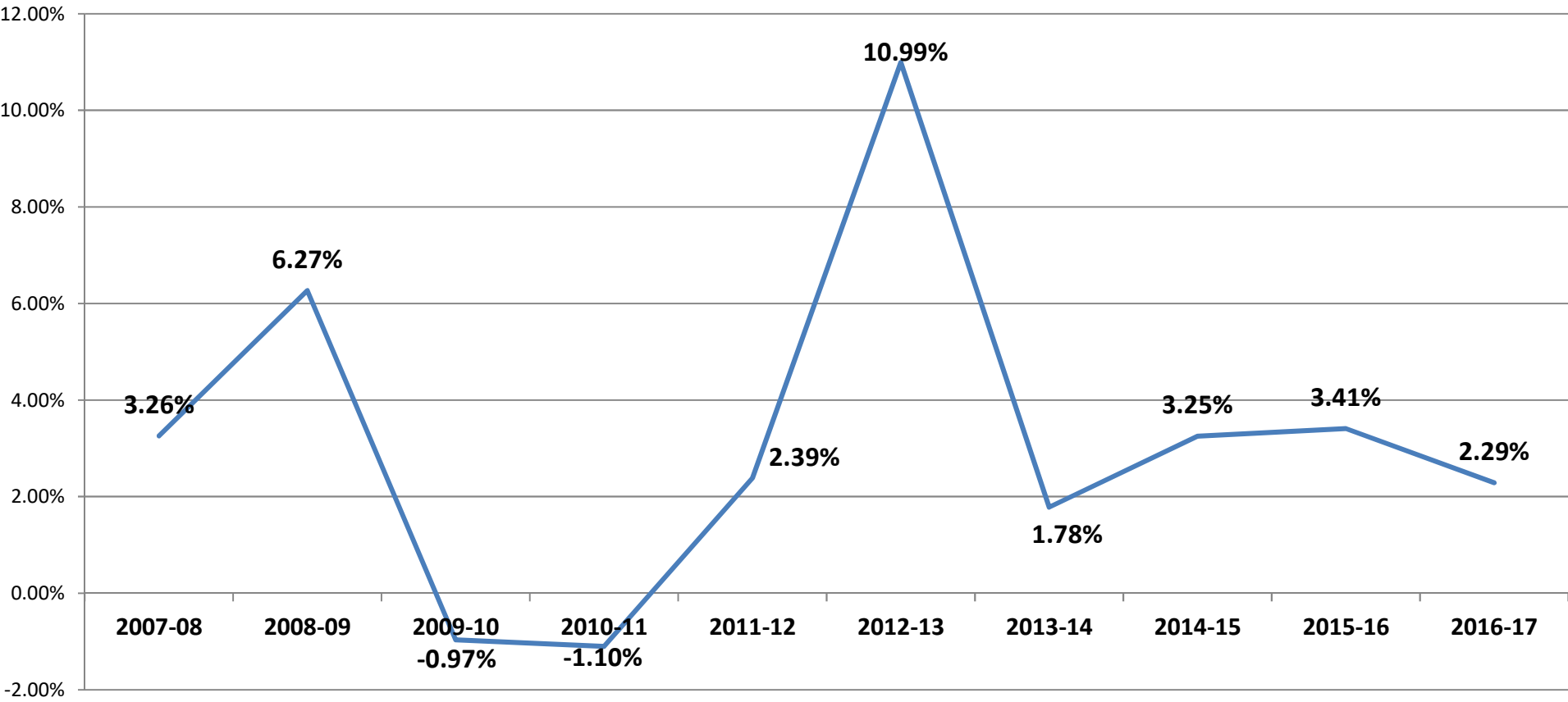
Budget 2017-18 1.00%
Projected 2017-18 1.36%
Preliminary 2018-19 1.00%

Act 1 Index



Five-year average through 2017-18 2.12%
Ten-year average through 2017-18 2.51%

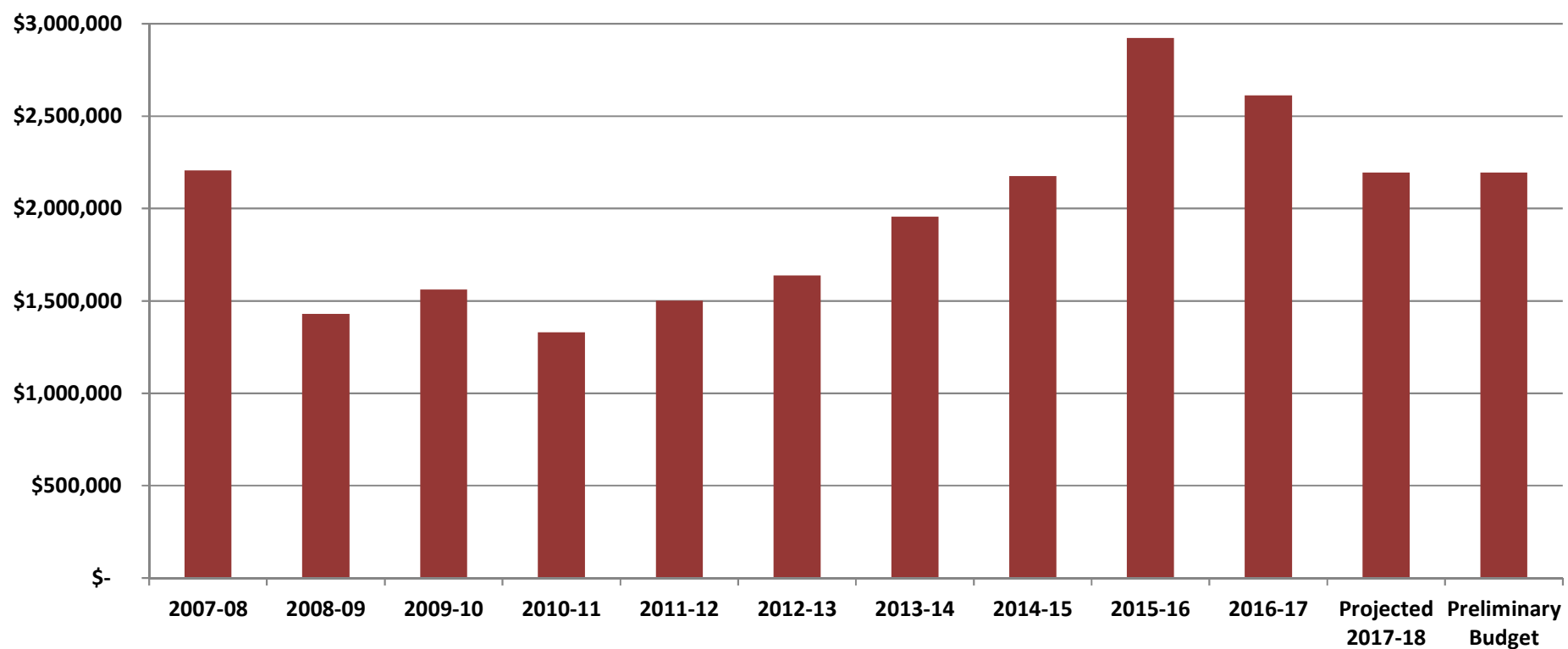
Earned Income Tax - Historical Percent Change



Five-year average through 2015-2016 4.34%
Ten-year average through 2015-2016 3.16%
Five-year average (excl 2012-2013) 2.68%

Budget 2017-18 2.0%
Projected 2017-18 2.0%
Preliminary 2018-19 2.0%

Transfer Tax Revenue



Five-year average through 2016-17

\$2,095,755*

Ten-year average through 2016-17

\$1,823,650*

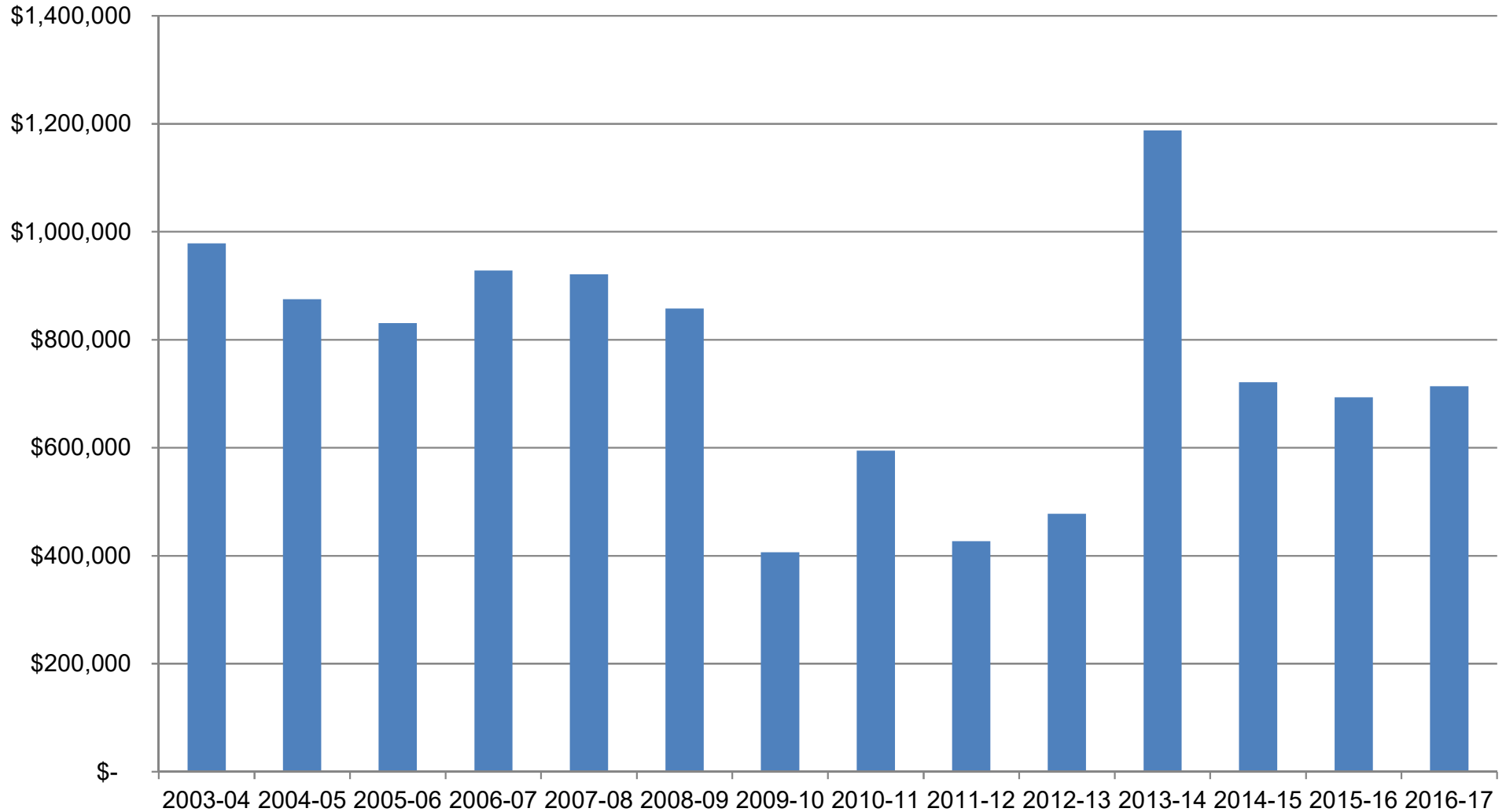
* Excludes 2015-16

Budget 2017-18 \$2,082,000

Projected 2017-18 \$2,194,000

Preliminary 2018-19 \$2,194,000

Historical Interim Real Estate Tax

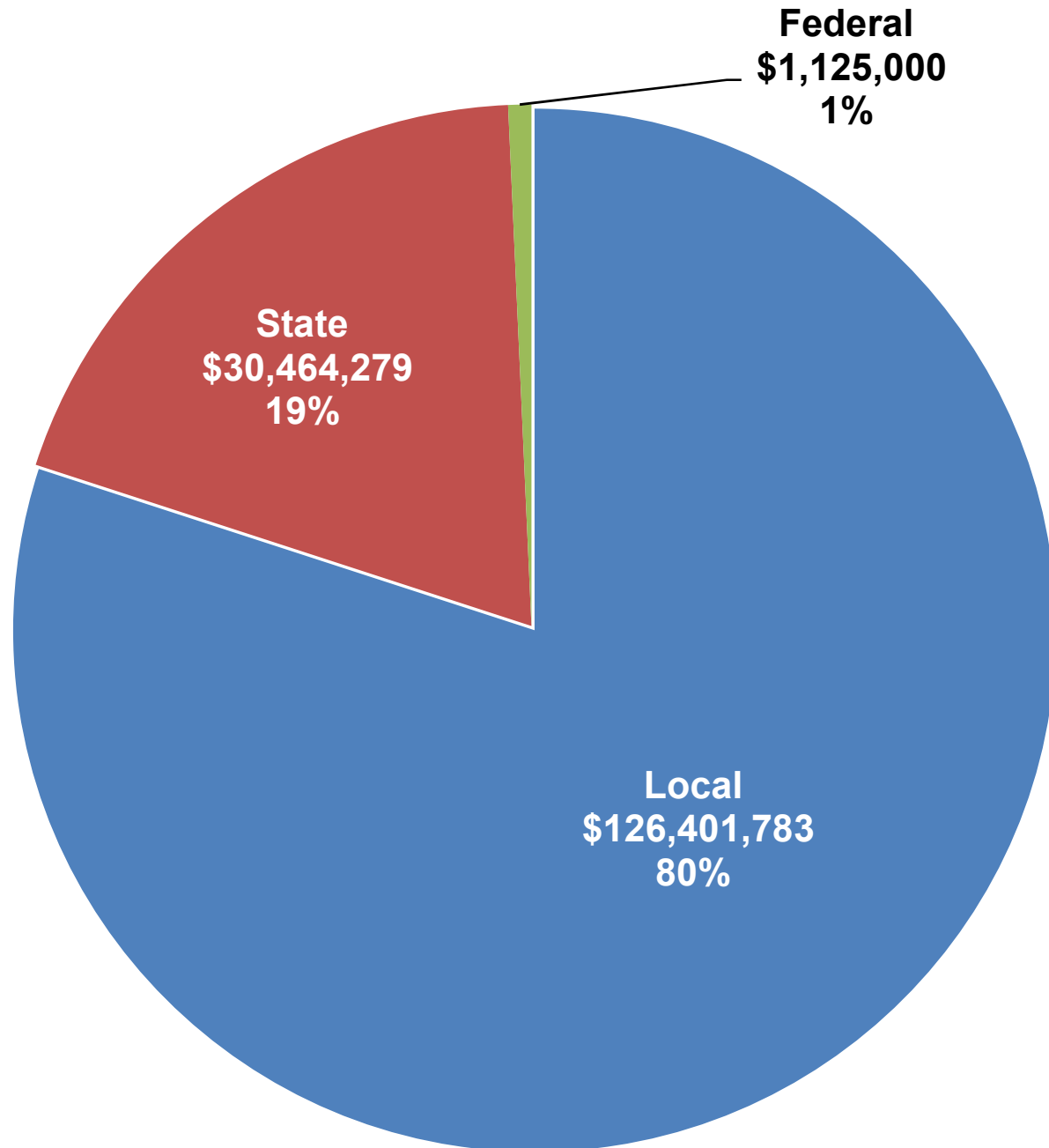


Budget 2017-18 \$600,000
Projected 2017-18 \$600,000
Preliminary 2018-19 \$600,000

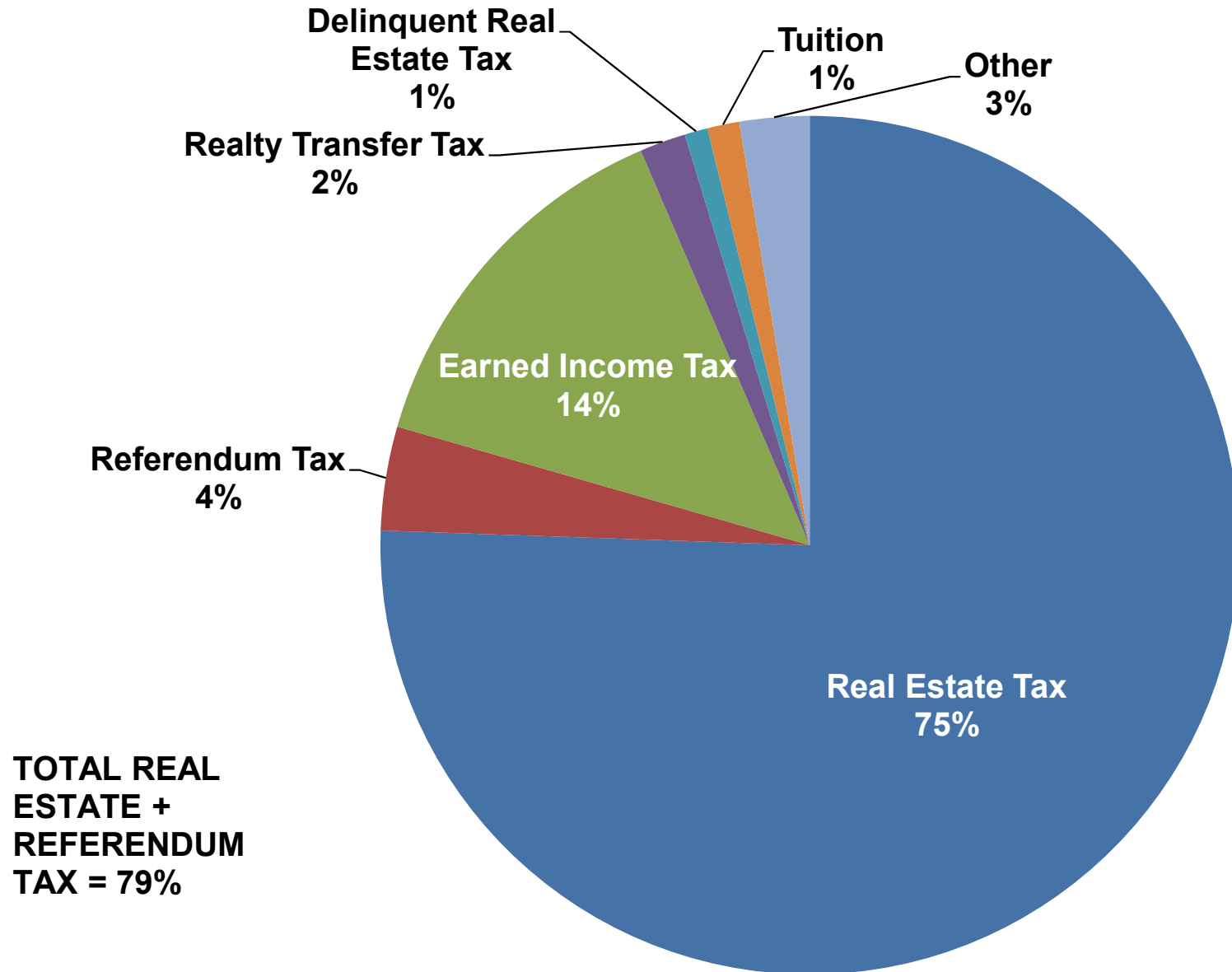
Note: Properties that are not on the tax rolls prior to the July duplicate real estate tax billing are processed in off-cycle July and February billings. Revenue for 2015-16 and 2016-17 are net of supplemental tax rebates of \$76,590, \$82,584, respectively.

Revenue by Source

Preliminary 2018-19 Budget

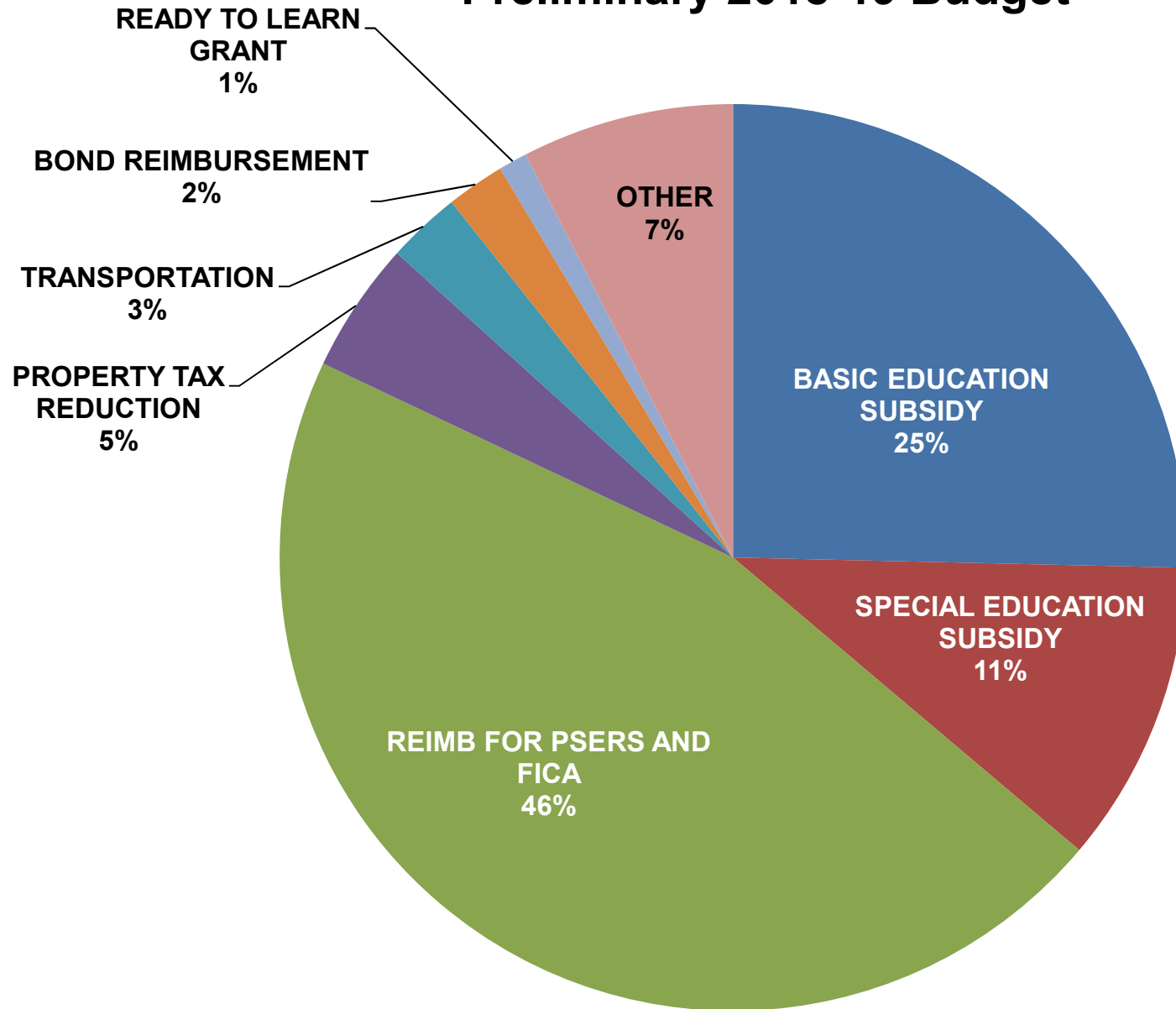


Local Revenue Preliminary 2018-19 Budget

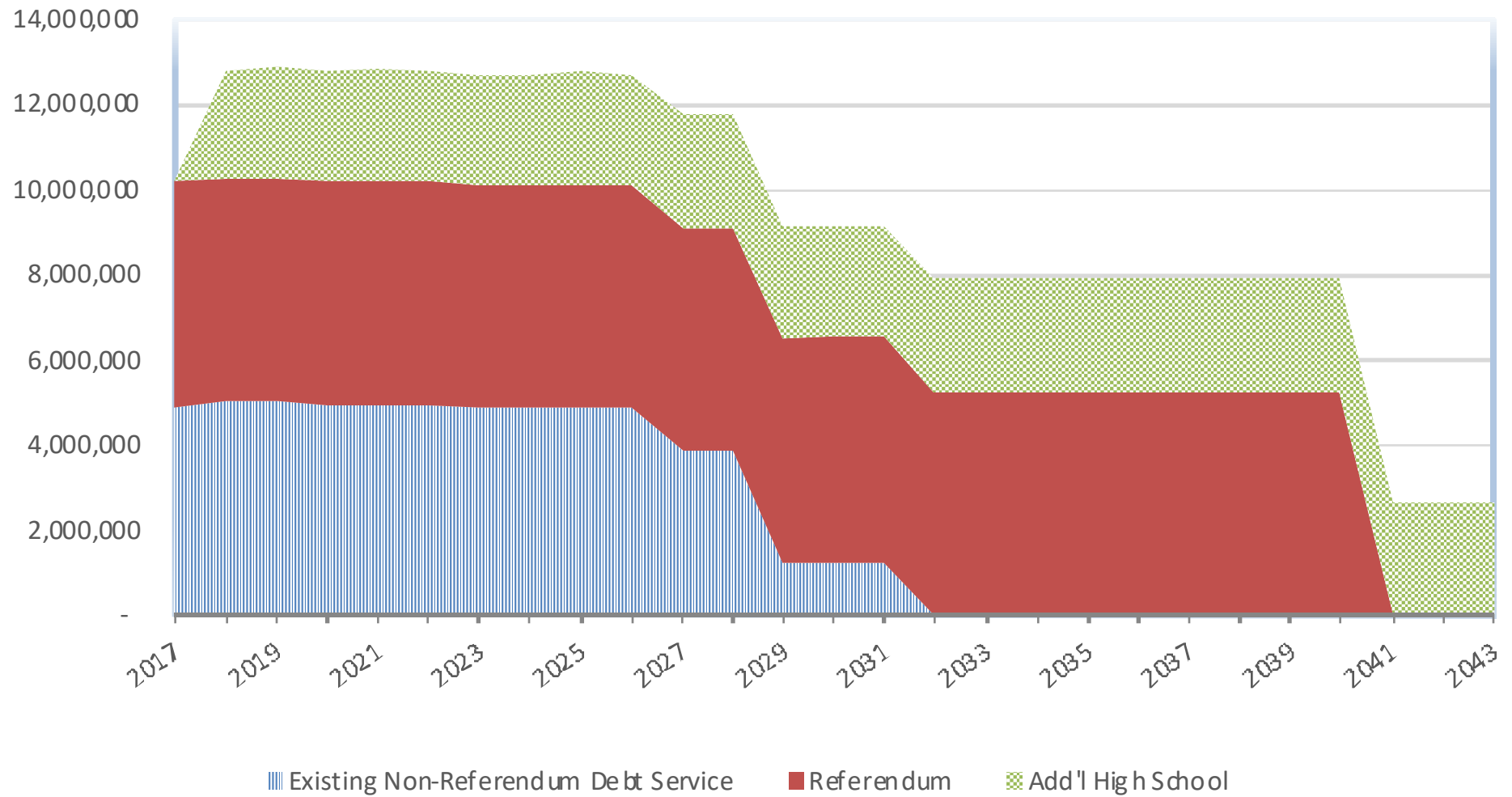


STATE REVENUE

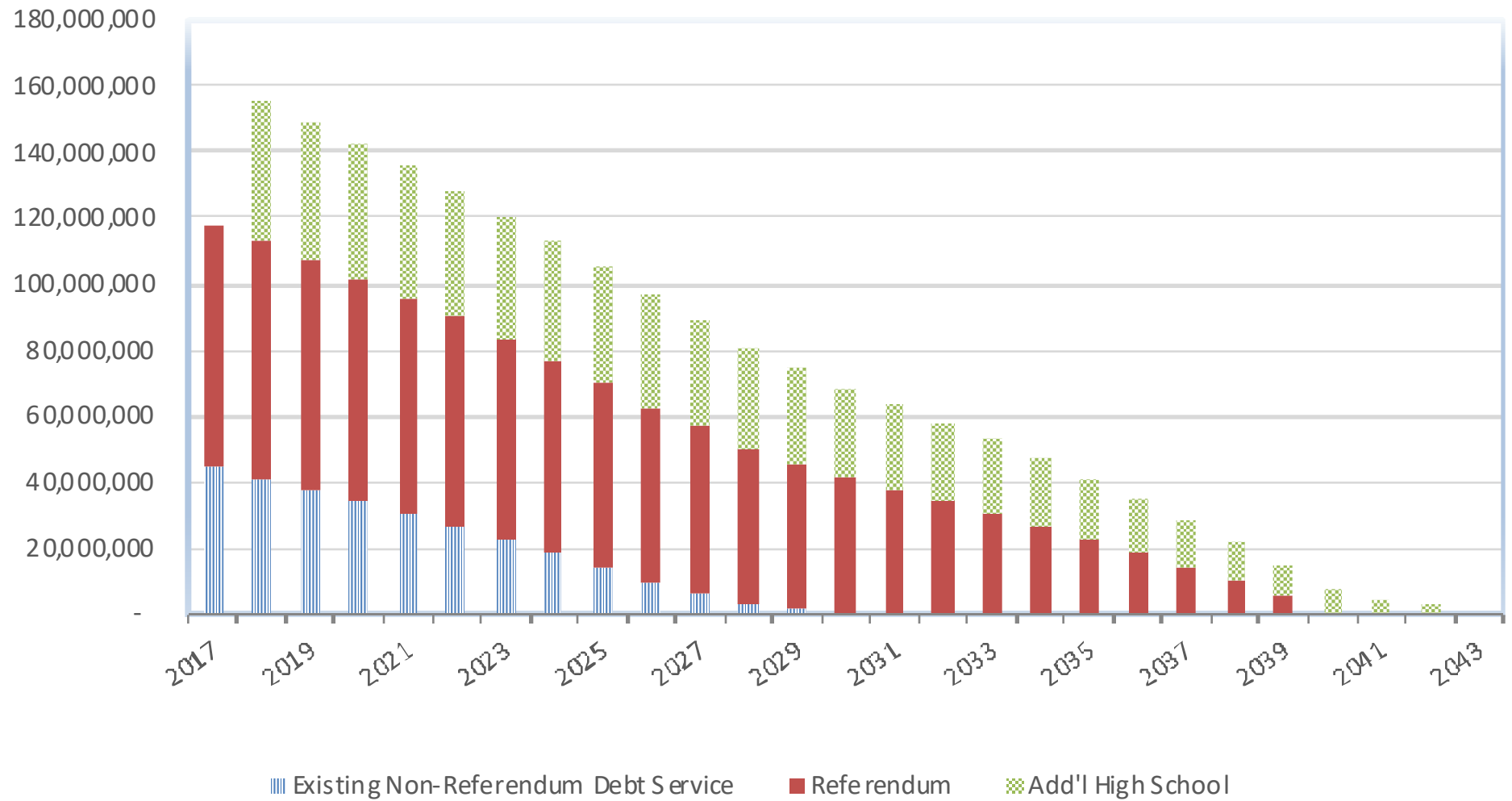
Preliminary 2018-19 Budget



Projected Debt Service (Existing Debt)



Outstanding Principal (Existing Debt)



**State College Area School District
Proposed Budget
Revenue Assumptions/Reconciliations
Actual 2016-17 vs. Projected 2017-18**

Note: The following revenue assumptions and reconciliations include revenue line items >\$400,000.

Local Revenue

Current Real Estate Tax

Actual 2016-17 Revenue	\$89,403,014
Actual assessed value growth of 1.36%	1,268,920
Tax Increase of 1.55%	<u>1,446,196</u>
Total increase in Real Estate Tax	<u>2,715,116</u>
Projected Revenue 2017-18	<u><u>92,118,130</u></u>

Real Estate Tax - Referendum Debt

4,945,363

Revenue equals total principal and interest due on referendum debt, less anticipated future PlanCon reimbursement.

Earned Income Tax

Actual 2016-17 Revenue	17,139,905
Assumed growth - 2%	340,095
Five-year average through 2016-17 = 4.3% Ten-year average through 2016-17 = 3.1% Most recent four-year average 2.7%	
Projected Revenue 2017-18	<u><u>17,480,000</u></u>

Realty Transfer Tax

3-yr average, excluding large transactions (defined as >\$2.8 MM transfer)	1,894,000
(3-yr average from 2013-14 to 2015-16, used for budget 2017-18, was \$1.78 million)	
Estimated large transactions	<u>300,000</u>
(3-yr average large claims = \$677,000; lowest was in 2014-15 = \$366,000)	
Projected Revenue 2017-18	<u><u>2,194,000</u></u>

Delinquent Real Estate Tax

1,100,000

The uncollected balance over the past four years has declined, and therefore the revenue is budgeted more conservatively. Transfers to the county for each year's uncollected real estate tax has remained relatively consistent.

2016-17 revenue	1,011,409
2015-16 revenue	1,257,787
2014-15 revenue	1,174,635

Interim Real Estate Tax

Properties that are not on the tax rolls prior to the July duplicate billing, are billed in interim billings. Interim tax revenue has ranged from \$378,000 to \$1.2 million. Budget reflects the 5 and 10 year average of approximately \$700,000, less \$100,000 for supplemental tax rebate.

Estimated interim tax revenue	700,000
Less: Assumed supplemental tax rebate program payments	(100,000)
Total tax rebates payments in 2016-17	82,584

Projected Revenue 2017-18	<u><u>600,000</u></u>
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IDEA (Individuals with Disabilities Education Act)742,380

Budgeted based on prior year allotments

IDEA funds allotted to the district:	
2017-18 allotment	742,380
2016-17 allotment	747,597
2015-16 allotment	738,020

Payments in Lieu of Tax648,561

Reflects December 2017 updated report of in-lieu properties.

Local Service Tax398,000

Assumes 1% increase over 2016-17.

Tuition1,190,638

Assumes Tuition will approximate 2016-17.

Misc. Local Revenue570,508

Includes athletics ticket sales, donations, rental income, Purchasing card rebates, and other miscellaneous receipts.

Budget assumes 2016-17 level, reduced for donations now funneled thru Foundation.

State Revenue**Basic Education Subsidy**

State Basic Education Subsidy above the 2014-15 allotment is allocated based on the new basic education formula. The primary driver of this allocation is each district's average daily membership (ADM) from the prior year as a percentage of all districts. The projected revenue reflects the revenue estimate provided by the state in November 2017, based on the final state budget.

Basic education guaranteed at 2014-15 level	6,440,591
Student-weighted distribution allocation for 2017-18	<u>1,283,889</u>
Projected Revenue 2017-18	<u><u>7,724,480</u></u>

Special Education Subsidy

State Special Education Subsidy above the guaranteed 2013-14 base year allotment is allocated based on a new formula. The key driver in this new formula is weighted special education student counts. We used PDE's estimated allocation for Special Education Funding that we received in November 2017. This assumes no change in overall state special education funding.

Special education guaranteed at 2013-14 level	3,221,641
Special Education student-weighted distribution allocation for 2017-18	<u>71,252</u>
Projected Revenue 2017-18	<u><u>3,292,893</u></u>

Revenue for Retirement

Actual 2016-17		9,388,660
Assume revenue equal to 50% of PSERS expense.		
Increase in PSERS percentage from 30.03% to 32.57%	799,162	
Impact of salary increase	<u>442,274</u>	
		1,241,436

Note: Budgeted PSERS contribution percentage is based on rate published in December 2016.

Projected Revenue 2017-18	<u><u>10,630,096</u></u>
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Revenue for Social Security

Actual 2016-17		2,328,362
Assume revenue equal to 50% of Social Security expense.		
Impact of salary increase		<u>155,182</u>
Projected Revenue 2017-18		<u><u>2,483,544</u></u>

Property Tax Reduction

Tax reduction allocation amount published by PDE on May 1, 2017. This amount is used for Homestead/Farmstead exemption.

1,424,050

Transportation Revenue

Transportation revenue is currently determined based on a complex calculation that includes several factors including district transportation cost, number of students transported, efficiency of bus transports, market value aid ratio, and other calculation factors. Revenue is conservatively estimated at slightly less than 2016-17, as the preliminary revenue allocation is not known until later in the year.

800,000

Bond Reimbursement

Actual 2016-17		584,229
Revenue for 2015-16 debt service received in 2016-17 (The state delayed payment of 2015-16 until 2016-17)	(273,799)	
Revenue based on 2016-17 debt service (excluding high school)	(622,001)	
Revenue based on 2017-18 debt service (excluding high school)	<u>633,001</u>	
Total decrease in bond reimbursement		<u>(262,799)</u>
Projected Revenue 2017-18		<u><u>321,430</u></u>

Federal

713,000

Title I Revenue

Title I revenue is estimated at a slightly lower amount than the projected year due to uncertainty in federal revenue.

**State College Area School District
Proposed Budget
Revenue Assumptions/Reconciliations
Projected 2017-18 vs. Preliminary Budget 2018-19**

Note: The following revenue assumptions and reconciliations include revenue line items >\$400,000.

Local Revenue

Current Real Estate Tax

Projected 2017-18 Revenue	\$92,118,130
Assumed assessed value growth of 1.0%	992,196

5 yr average assessed value growth = 1.32%
 10 yr average assessed value growth = 1.21%
 2017-18 growth = 1.36%
 2016-17 growth = 1.14%
 2015-16 growth = 1.02%

Proposed Tax Increase of 2.4%	2,381,271
Act 1 Index - 2.4%	

Total increase in Real Estate Tax	3,373,467
Preliminary Budgeted Revenue 2018-19	95,491,597

Real Estate Tax - Referendum Debt

4,941,977

Revenue equals total principal and interest due on referendum debt, less anticipated future PlanCon reimbursement.

Earned Income Tax

Projected 2017-18 Revenue	17,480,000
Assumed growth - 2.0%	350,000

Five-year average through 2016-17 = 4.3%
 Ten-year average through 2016-17 = 3.1%
 Most recent four-year average = 2.7%
 2016-17 = 2.29%

Preliminary Budgeted Revenue 2018-19	17,830,000
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Realty Transfer Tax

3-yr average, excluding large transactions (defined as >\$2.8 MM transfer) (3-yr average from 2013-14 to 2015-16, used for budget 2017-18, was \$1.78 million)	1,894,000
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Estimated large transactions (3-yr average large claims = \$677,000; lowest was in 2014-15 = \$366,000)	300,000
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Preliminary Budgeted Revenue 2018-19	2,194,000
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Delinquent Real Estate Tax**1,100,000**

The uncollected balance over the past four years has declined, and therefore the revenue is budgeted more conservatively. Transfers to the county for each year's uncollected real estate tax has remained relatively consistent.

2016-17 revenue	1,011,409
2015-16 revenue	1,257,787
2014-15 revenue	1,174,635

Interim Real Estate Tax

Properties that are not on the tax rolls prior to the July duplicate billing, are billed in interim billings. Interim tax revenue has ranged from \$378,000 to \$1.2 million. Budget reflects the 5 and 10 year average of approximately \$700,000, less \$100,000 for supplemental tax rebate.

Estimated interim tax revenue	700,000
Less: Assumed supplemental tax rebate program payments	<u>(100,000)</u>
Total tax rebates payments in 2016-17	82,584

Preliminary Budgeted Revenue 2018-19	<u>600,000</u>
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IDEA (Individuals with Disabilities Education Act)**740,000**

Budgeted based on prior year allotments

IDEA funds allotted to the district:	
2017-18 allotment	742,380
2016-17 allotment	747,597
2015-16 allotment	738,020

Payments in Lieu of Tax**648,561**

Reflects December 2017 updated report of in-lieu properties.

Local Service Tax**402,000**

Assumes 1% increase over projected 2017-18

Tuition**1,513,346**

Assumes Tuition will approximate 2016-17.
Budget assumes 2017-18 projection, plus increases in CEEL for adding new location and price increase.

Misc. Local Revenue**573,112**

Includes athletics ticket sales, donations, rental income, Purchasing card rebates, and other miscellaneous receipts.

State Revenue**Basic Education Subsidy**

State Basic Education Subsidy above the 2014-15 allotment is allocated based on the new basic education formula. The primary driver of this allocation is each district's average daily membership (ADM) from the prior year as a percentage of all districts. The preliminary budget assumes no change in overall state basic education funding.

Basic education guaranteed at 2014-15 level	6,440,591
Student-weighted distribution allocation for 2017-18	<u>1,283,889</u>

Special Education Subsidy

State Special Education Subsidy above the guaranteed 2013-14 base year allotment is allocated based on a new formula. The key driver in this new formula is weighted special education student counts. We used PDE's estimated allocation for Special Education Funding that we received in November 2017. This assumes no change in overall state special education funding. This assumes no change in state funding in 2018-19.

Special education guaranteed at 2013-14 level	3,221,641	
Special Education student-weighted distribution allocation for 2017-18	<u>71,252</u>	
Preliminary Budgeted Revenue 2018-19		<u><u>3,292,893</u></u>

Revenue for Retirement

Projected Revenue 2017-18		10,630,096
Assume revenue equal to 50% of PSERS expense.		

Increase in PSERS percentage from 32.57% to 33.43%	296,053	
Impact of salary increase	<u>445,000</u>	
		741,053

Note: Budgeted PSERS contribution percentage is based on rate published in December 2017.

Preliminary Budgeted Revenue 2018-19		<u><u>11,371,149</u></u>
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Revenue for Social Security

Projected Revenue 2017-18		2,483,544
Assume revenue equal to 50% of Social Security expense.		

Impact of salary increase		119,753
Preliminary Budgeted Revenue 2018-19		<u><u>2,603,297</u></u>

Property Tax Reduction

Tax reduction allocation amount published by PDE on May 1, 2017. This amount is used for Homestead/Farmstead exemption.

1,424,050**Transportation Revenue**

Transportation revenue is currently determined based on a complex calculation that includes several factors including district transportation cost, number of students transported, efficiency of bus transports, market value aid ratio, and other calculation factors. Revenue is conservatively estimated at slightly less than 2016-17, as the preliminary revenue allocation is not known until later in the year.

800,000**Bond Reimbursement**

Plancon reimbursement related to existing debt (excl high school)	320,856	
Estimated Plancon reimbursement for high school debt	<u>312,148</u>	

Proposed Budgeted Revenue 2018-19		<u><u>633,004</u></u>
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Note: Bond Reimbursement includes estimated reimb for referendum debt.

Other State Revenue

DCED Grant on High School project (North)		<u><u>1,935,393</u></u>
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Federal

600,000

Title I Revenue

Title I revenue is estimated at a slightly lower amount than the projected year due to uncertainty in federal revenue.

Attachment C

Multi-year Projection

	A	B	C	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
1		State College Area School District														
2		General Fund Activity														
3		12/12/2017														
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	A	B	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
1		State College Area School District													
2		General Fund Revenue													
3		12/12/2017													
5															
6		Assumptions:													
7		Earned Income Tax Growth (1)	2.29%	2.00%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
8		Assessed Value Growth (2)	1.14%	1.00%	1.36%	1.00%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
9		Exceptions	1.92%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10		Act 1 Index	2.40%	2.50%	2.50%	2.40%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
11		Actual/Projected Base RE Tax Increase	2.40%	1.55%	1.55%	2.40%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
12		Actual/Projected Total Tax Increase	4.32%	1.55%	1.55%	2.40%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
13															
14															
16		LOCAL SERVICES TAX													
17		CURRENT REAL ESTATE TAX	89,403,014	\$91,772,524	\$92,118,130	\$95,491,597	\$98,769,658	\$102,158,054	\$105,656,980	\$109,267,003	\$112,995,809	\$116,839,403	\$120,812,976	\$124,912,611	\$129,144,138
18		REAL ESTATE TAX-REFERENDUM DEBT	4,943,999	4,945,363	4,945,363	4,941,977	4,946,210	4,945,740	4,945,269	4,944,564	4,943,388	4,946,210	4,943,153	4,943,623	4,942,447
19		EARNED INCOME TAX	17,139,905	17,350,000	17,480,000	17,830,000	18,280,000	18,740,000	19,210,000	19,690,000	20,180,000	20,680,000	21,200,000	21,730,000	22,270,000
20		REALTY TRANSFER TAX	2,612,935	2,082,000	2,194,000	2,194,000	2,194,000	2,194,000	2,194,000	2,194,000	2,194,000	2,194,000	2,194,000	2,194,000	2,194,000
21		DELINQUENT REAL ESTATE TAX	1,011,409	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
22		INTERIM REAL ESTATE TAX	631,353	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
23		IDEA-B	749,006	740,000	742,380	740,000	740,000	740,000	740,000	740,000	740,000	740,000	740,000	740,000	740,000
24		PAYMENTS IN LIEU OF TAX	620,356	620,356	648,561	648,561	648,561	648,561	648,561	648,561	648,561	648,561	648,561	648,561	648,561
25		LOCAL SERVICES TAX	393,703	385,000	398,000	402,000	406,000	410,000	414,000	418,000	422,000	426,000	430,000	434,000	438,000
26		TUITION	1,126,167	1,150,304	1,190,638	1,513,346	1,513,346	1,513,346	1,513,346	1,513,346	1,513,346	1,513,346	1,513,346	1,513,346	1,513,346
27		MISC LOCAL REVENUE	712,637	644,100	570,508	573,112	573,112	573,112	573,112	573,112	573,112	573,112	573,112	573,112	573,112
28		PUBLIC UTILITY REALTY TAX	117,190	117,190	117,190	117,190	117,190	117,190	117,190	117,190	117,190	117,190	117,190	117,190	117,190
29		INTEREST ON INVESTMENTS	<u>277,154</u>	<u>150,000</u>	<u>350,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
30		TOTAL LOCAL	119,738,829	121,656,837	122,454,771	126,401,783	130,138,076	133,990,002	137,962,457	142,055,776	146,277,406	150,627,821	155,122,337	159,756,443	164,530,794
31															
32		STATE													
33		BASIC ED INSTR SUBSIDY	7,543,444	7,543,140	7,724,480	7,724,480	7,724,480	7,724,480	7,724,480	7,724,480	7,724,480	7,724,480	7,724,480	7,724,480	7,724,480
34		SPECIAL ED REVENUE	3,270,067	3,268,768	3,292,893	3,292,893	3,292,893	3,292,893	3,292,893	3,292,893	3,292,893	3,292,893	3,292,893	3,292,893	3,292,893
35		REV. FOR RETIREMENT	9,388,660	10,596,050	10,630,096	11,371,149	12,150,000	12,600,000	13,000,000	13,500,000	13,750,000	14,000,000	14,300,000	14,600,000	14,900,000
36		REV. FOR SOCIAL SECURITY	2,328,362	2,492,079	2,483,544	2,603,297	2,675,232	2,728,736	2,783,311	2,838,977	2,895,757	2,953,672	3,012,745	3,073,000	3,134,460
37		PROPERTY TAX REDUCTION	1,424,101	1,424,050	1,424,050	1,424,050	1,424,050	1,424,050	1,424,050	1,424,050	1,424,050	1,424,050	1,424,050	1,424,050	1,424,050
38		TRANSPORTATION REVENUE	927,949	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
39		BOND REIMBURSEMENTS	584,229	632,953	321,430	633,004	785,815	765,353	763,937	738,729	738,818	739,020	739,106	675,454	675,519
40		HEALTH SERVICES REVENUE	142,902	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
41		READY TO LEARN GRANT	310,013	310,013	310,013	310,013	310,013	310,013	310,013	310,013	310,013	310,013	310,013	310,013	310,013
42		VOCATIONAL EDUCATION	154,017	90,891	135,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
43		OTHER STATE REVENUE	2,017,555	0	0	1,935,393	0	0	0	0	0	0	0	0	0
44		TUITION - 1305/1306	<u>134,739</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>
45															
46		TOTAL STATE	28,226,039	27,427,944	27,391,506	30,464,279	29,532,482	30,015,525	30,468,684	30,999,142	31,306,011	31,614,128	31,973,287	32,269,890	32,631,415
47															
48		FEDERAL													
49		TITLE I REVENUE	762,693	600,000	713,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
50		TITLE II REVENUE	164,094	200,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
51		ACCESS FUNDS	371,333	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
52		OTHER FEDERAL REVENUE	69,589	60,000	86,156	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
53		TITLE III REVENUE	<u>111,636</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
54															
55		TOTAL FEDERAL	1,479,345	1,145,000	1,264,156	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000
56															
57		TOTAL REVENUE	<u>149,444,212</u>	<u>150,229,782</u>	<u>151,110,433</u>	<u>157,991,062</u>	<u>160,795,558</u>	<u>165,130,527</u>	<u>169,556,141</u>	<u>174,179,918</u>	<u>178,708,416</u>	<u>183,366,950</u>	<u>188,220,624</u>	<u>193,151,333</u>	<u>198,287,209</u>
58															
59		Note: Athletics revenue is included in all periods based on PDE reporting requirements. Athletics expense, net of related revenues, was previously presented as a transfer.													
60															
61		(1) Projected 2019-20 and forward is slightly less than the historical 5-year average (excluding Fiscal Year 2012-13) of 2.68%													
62		(2) Projected 2019-20 and forward is based on the historical 10-year average of 1.2%													

	A	B	C	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG
81		State College Area School District														
82		General Fund Expenses and Fund Balance Transfers														
83		12/12/2017														
84																
86																
87																
88		Salaries	63,891,205	66,482,030	66,662,469	69,449,042	71,368,060	72,795,421	74,251,329	75,736,356	77,251,083	78,796,105	80,372,027	81,979,468	83,619,057	
89		Health Insurance	12,415,394	13,114,783	12,825,988	14,133,888	15,297,277	16,577,004	17,984,705	19,533,175	21,236,493	23,110,142	25,171,156	27,438,272	29,932,099	
90		PSERS	18,719,962	21,192,019	21,260,192	22,742,297	24,300,000	25,200,000	26,000,000	27,000,000	27,500,000	28,000,000	28,600,000	29,200,000	29,800,000	
91		Other Benefits	6,387,569	6,655,842	6,679,425	6,905,360	7,086,268	7,200,000	7,300,000	7,400,000	7,500,000	7,700,000	7,900,000	8,100,000	8,300,000	
92		Professional Services	3,328,268	3,555,248	3,566,755	3,630,000	3,690,000	3,750,000	3,810,000	3,870,000	3,940,000	4,010,000	4,080,000	4,150,000	4,220,000	
93		Purchased Property Services	1,332,485	1,245,492	1,248,428	1,270,000	1,290,000	1,310,000	1,330,000	1,350,000	1,370,000	1,390,000	1,410,000	1,430,000	1,450,000	
94		Charter School Expense	5,904,490	6,457,500	6,629,298	7,043,347	7,160,000	7,280,000	7,400,000	7,530,000	7,660,000	7,790,000	7,920,000	8,050,000	8,190,000	
95		Other Purchased Services	5,802,701	5,646,957	5,889,497	6,340,000	6,450,000	6,560,000	6,670,000	6,780,000	6,900,000	7,020,000	7,140,000	7,260,000	7,380,000	
96		Supplies/Equipment	6,913,474	6,785,674	6,785,674	7,150,000	6,970,000	7,040,000	7,110,000	7,180,000	7,250,000	7,320,000	7,390,000	7,460,000	7,530,000	
97		Minor Capital Projects	2,617,170	2,138,768	2,138,768	2,181,543	2,225,174	2,269,678	2,315,071	2,361,373	2,408,600	2,456,772	2,505,908	2,556,026	2,607,146	
98		Transfers/contingencies	1,251,815	2,310,830	2,268,980	1,781,495	1,259,625	1,278,118	1,296,980	1,316,220	1,335,844	1,355,861	1,376,278	1,397,104	1,418,346	
99		Debt Service	4,899,647	5,014,259	7,486,050	7,613,533	7,540,783	7,579,675	7,551,623	7,477,526	7,485,026	7,486,876	7,477,106	6,450,906	6,453,244	
100		Debt Service - Referendum Debt	5,256,275	5,257,725	5,257,725	5,254,125	5,258,625	5,258,125	5,257,625	5,256,875	5,255,625	5,258,625	5,255,375	5,255,875	5,254,625	
101		Transfer to Capital Projects - DCED Grant	2,000,000	0	0	1,935,393	0	0	0	0	0	0	0	0	0	
102		Transfer to Capital Reserve	10,329,898	6,265,122	3,793,331	1,317,200	1,183,145	2,102,350	2,246,800	1,769,950	1,712,850	1,743,850	1,472,894	1,472,894	1,472,894	
103		Fund Balance Use (PSERS/Legal)	(2,379,004)	(2,186,728)	(2,186,728)	(1,207,573)	(659,620)	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	-	-	-	
104																
105		Total Expenses and Fund Balance Transfers	\$148,671,348	\$149,935,522	\$150,305,853	\$157,539,651	\$160,419,337	\$165,804,212	\$170,127,975	\$174,165,316	\$178,409,362	\$183,042,072	\$188,070,744	\$192,200,544	\$197,627,411	
106																
		Total Expense and Transfers (excl fund balance use)	\$151,050,352	\$152,122,250	\$152,492,581	\$158,747,224	\$161,078,957	\$166,200,371	\$170,524,134	\$174,561,475	\$178,805,521	\$183,438,231	\$188,070,744	\$192,200,544	\$197,627,411	
107																
108																
109		(1) Expenses beginning in 2018-19 include the estimated cost of the proposed student day changes.														
110																
111		Note: Athletics expenses included in each expense line items based on PDE reporting requirments. Previously reported in transfer/contingencies line.														
112																

	A	B	C	K	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
1		State College Area School District															
2		General Fund Balance															
3		12/12/2017															
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	A	B	C	K	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
39		State College Area School District															
40		Capital Reserve Fund															
41		12/12/2017															
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Excludes impact of the proposed student day changes beginning in 2018-19.

	A	B	C	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
1		State College Area School District														
2		General Fund Activity														
3		12/12/2017														
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Assumes 0% tax increase in 2018-19; Includes proposed student day

	A	B	C	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
1		State College Area School District														
2		General Fund Activity														
3		12/12/2017														
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Projection presented in October 2017

State College Area School District
General Fund Activity
10/17/2017

	Actual 2015-2016	Actual 2016-2017	Budget 2017-2018	Projected 2017-2018	Proposed Budget 2018-2019 (1)	Projected 2019-2020	Projected 2020-2021	Projected 2021-2022	Projected 2022-2023	Projected 2023-2024	Projected 2024-2025	Projected 2025-2026	Projected 2026-2027	Projected 2027-2028
Beginning Fund Balance	\$10,278,914	\$11,114,602	\$11,750,831	\$11,887,466	\$12,551,322	\$12,618,658	\$12,182,741	\$10,782,365	\$9,490,564	\$9,051,308	\$8,767,002	\$8,525,416	\$8,121,770	\$8,527,620
Revenue	139,762,229	149,444,212	150,230,621	150,599,377	155,478,875	160,165,498	164,485,176	168,943,150	173,351,585	177,972,343	182,673,075	187,568,891	192,541,689	197,679,600
Local	115,076,626	119,738,829	121,656,837	122,191,147	125,699,454	129,460,630	133,347,426	137,352,405	141,480,548	145,744,609	150,137,397	154,674,232	159,350,608	164,177,179
State	23,174,708	28,226,039	27,428,783	27,263,230	28,634,421	29,559,868	29,992,750	30,445,745	30,726,036	31,082,734	31,390,678	31,749,659	32,046,081	32,357,421
Federal	1,510,894	1,479,345	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000
Expense	140,734,821	151,050,352	152,122,250	152,122,250	156,619,112	161,261,035	166,281,711	170,631,109	174,187,000	178,652,808	183,310,820	187,972,536	192,135,839	197,510,946
Revenue less expense	(972,593)	(1,606,140)	(1,891,629)	(1,522,872)	(1,140,236)	(1,095,537)	(1,796,535)	(1,687,960)	(835,416)	(680,465)	(637,745)	(403,646)	405,850	168,654
Use of Assigned Fund Balance	1,808,281	2,379,004	2,186,728	2,186,728	1,207,573	659,620	396,159	396,159	396,159	396,159	396,159	-	-	-
Change in Unassigned General Fund Bal	835,688	772,864	295,099	663,856	67,337	(435,917)	(1,400,376)	(1,291,801)	(439,257)	(284,306)	(241,586)	(403,646)	405,850	168,654
Ending Unassigned Fund Balance	\$11,114,602	\$11,887,466	\$12,045,930	\$12,551,322	\$12,618,658	\$12,182,741	\$10,782,365	\$9,490,564	\$9,051,308	\$8,767,002	\$8,525,416	\$8,121,770	\$8,527,620	\$8,696,274

Note: Athletics expenses included in expense line based on PDE reporting requirements.

(1) Expenses in 2018-19 include the estimated cost of anticipated additional elementary school programs.

Assumptions:														
Earned Income Tax Growth (1)	3.41%	2.29%	2.00%	2.00%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
Assessed Value Growth (2)	1.02%	1.14%	1.00%	1.36%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
Exceptions	3.60%	1.92%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Act 1 Index	1.90%	2.40%	2.50%	2.50%	2.40%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Actual/Projected Base RE Tax Increase	1.90%	2.40%	1.55%	1.55%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Actual/Projected Total Tax Increase	5.50%	4.32%	1.55%	1.55%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

	Actual	Actual	Budget	Projected	Proposed	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	2015-2016	2016-2017	2017-2018	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
LOCAL SERVICES TAX														
CURRENT REAL ESTATE TAX	\$86,100,645	89,403,014	\$91,772,524	\$92,118,130	\$95,296,028	\$98,568,970	\$101,952,236	\$105,443,686	\$109,048,535	\$112,769,772	\$116,605,738	\$120,571,629	\$124,663,536	\$128,887,282
REAL ESTATE TAX-REFERENDUM DEBT	3,183,420	4,943,999	4,945,363	\$4,945,363	4,941,977	4,946,210	4,945,740	4,945,269	4,944,564	4,943,388	4,946,210	4,943,153	4,943,623	4,942,447
EARNED INCOME TAX	16,756,613	17,139,905	17,350,000	17,480,000	17,950,000	18,430,000	18,930,000	19,440,000	19,960,000	20,500,000	21,050,000	21,620,000	22,200,000	22,800,000
REALTY TRANSFER TAX	2,923,942	2,612,935	2,082,000	\$2,082,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
DELINQUENT REAL ESTATE TAX	1,257,788	1,011,409	1,100,000	\$1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
INTERIM REAL ESTATE TAX	617,178	631,353	600,000	\$600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
IDEA-B	738,020	749,006	740,000	\$740,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000
PAYMENTS IN LIEU OF TAX	555,011	620,356	620,356	\$620,356	620,356	620,356	620,356	620,356	620,356	620,356	620,356	620,356	620,356	620,356
LOCAL SERVICES TAX	377,122	393,703	385,000	\$393,703	398,000	402,000	406,000	410,000	414,000	418,000	422,000	426,000	430,000	434,000
TUITION	1,229,523	1,126,167	1,150,304	\$1,150,304	1,150,304	1,150,304	1,150,304	1,150,304	1,150,304	1,150,304	1,150,304	1,150,304	1,150,304	1,150,304
MISC LOCAL REVENUE	1,086,930	712,637	644,100	\$644,100	644,100	644,100	644,100	644,100	644,100	644,100	644,100	644,100	644,100	644,100
PUBLIC UTILITY REALTY TAX	116,691	117,190	117,190	\$117,190	117,190	117,190	117,190	117,190	117,190	117,190	117,190	117,190	117,190	117,190
INTEREST ON INVESTMENTS	<u>133,743</u>	<u>277,154</u>	<u>150,000</u>	<u>200,000</u>	<u>181,500</u>	<u>181,500</u>	<u>181,500</u>	<u>181,500</u>	<u>181,500</u>	<u>181,500</u>	<u>181,500</u>	<u>181,500</u>	<u>181,500</u>	<u>181,500</u>
TOTAL LOCAL	115,076,626	119,738,829	121,656,837	122,191,147	125,699,454	129,460,630	133,347,426	137,352,405	141,480,548	145,744,609	150,137,397	154,674,232	159,350,608	164,177,179
STATE														
BASIC ED INSTR SUBSIDY	6,903,016	7,543,444	7,543,140	7,543,140	7,543,140	7,543,140	7,543,140	7,543,140	7,543,140	7,543,140	7,543,140	7,543,140	7,543,140	7,543,140
SPECIAL ED REVENUE	3,255,597	3,270,067	3,268,768	3,268,768	3,268,768	3,268,768	3,268,768	3,268,768	3,268,768	3,268,768	3,268,768	3,268,768	3,268,768	3,268,768
REV. FOR RETIREMENT	7,777,494	9,388,660	10,596,050	10,596,009	11,550,000	12,400,000	12,800,000	13,200,000	13,450,000	13,750,000	14,000,000	14,300,000	14,600,000	14,850,000
REV. FOR SOCIAL SECURITY	2,077,074	2,328,362	2,492,079	2,492,079	2,589,507	2,667,192	2,720,536	2,774,946	2,830,445	2,887,054	2,944,795	3,003,691	3,063,765	3,125,040
PROPERTY TAX REDUCTION	1,422,441	1,424,101	1,424,050	1,424,050	1,424,050	1,424,050	1,424,050	1,424,050	1,424,050	1,424,050	1,424,050	1,424,050	1,424,050	1,424,050
TRANSPORTATION REVENUE	884,352	927,949	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
BOND REIMBURSEMENTS	120,931	584,229	633,792	468,280	788,052	785,815	765,353	763,937	738,729	738,818	739,020	739,106	675,454	675,519
HEALTH SERVICES REVENUE	150,906	142,902	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
READY TO LEARN GRANT	310,013	310,013	310,013	310,013	310,013	310,013	310,013	310,013	310,013	310,013	310,013	310,013	310,013	310,013
VOCATIONAL EDUCATION	90,891	154,017	90,891	90,891	90,891	90,891	90,891	90,891	90,891	90,891	90,891	90,891	90,891	90,891
OTHER STATE REVENUE	12,064	2,017,555	0	0	0	0	0	0	0	0	0	0	0	0
TUITION - 1305/1306	<u>169,929</u>	<u>134,739</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>
TOTAL STATE	23,174,708	28,226,039	27,428,783	27,263,230	28,634,421	29,559,868	29,992,750	30,445,745	30,726,036	31,082,734	31,390,678	31,749,659	32,046,081	32,357,421
FEDERAL														
TITLE I REVENUE	807,776	762,693	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
TITLE II REVENUE	175,465	164,094	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
ACCESS FUNDS	390,000	371,333	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
OTHER FEDERAL REVENUE	78,498	69,589	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
TITLE III REVENUE	<u>59,156</u>	<u>111,636</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
TOTAL FEDERAL	1,510,894	1,479,345	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000
TOTAL REVENUE	139,762,229	149,444,212	150,230,621	150,599,377	155,478,875	160,165,498	164,485,176	168,943,150	173,351,585	177,972,343	182,673,075	187,568,891	192,541,689	197,679,600

Note: Athletics revenue is included in all periods based on PDE reporting requirements. Athletics expense, net of related revenues, was previously presented as a transfer.

(1) Projected 2018-19 and forward is based on the historical 5-year average (excluding Fiscal Year 2012-13) of 2.68%
(2) Projected 2018-19 and forward is based on the historical 10-year average of 1.2%

Projection presented in October 2017

State College Area School District
General Fund Expenses and Fund Balance Transfers
10/17/2017

	Actual 2015-2016	Actual 2016-2017	Budget 2017-2018	Projected 2017-2018	Proposed Budget 2018-2019 (1)	Projected 2019-2020	Projected 2020-2021	Projected 2021-2022	Projected 2022-2023	Projected 2023-2024	Projected 2024-2025	Projected 2025-2026	Projected 2026-2027	Projected 2027-2028
Salaries	61,499,733	63,891,205	66,482,030	66,482,030	69,081,141	71,153,575	72,576,647	74,028,180	75,508,743	77,018,918	78,559,296	80,130,482	81,733,092	83,367,754
Health Insurance	12,212,329	12,415,394	13,114,783	13,114,783	14,381,916	15,570,108	16,877,119	18,314,830	19,896,313	21,635,945	23,549,539	25,654,493	27,969,943	30,516,937
PSERS	15,560,866	18,719,962	21,192,019	21,192,019	23,100,000	24,800,000	25,600,000	26,400,000	26,900,000	27,500,000	28,000,000	28,600,000	29,200,000	29,700,000
Other Benefits	6,085,400	6,387,569	6,655,842	6,655,842	6,958,158	7,200,000	7,300,000	7,400,000	7,500,000	7,700,000	7,900,000	8,100,000	8,300,000	8,500,000
Professional Services	3,247,956	3,328,268	3,555,248	3,555,248	3,620,000	3,680,000	3,740,000	3,800,000	3,860,000	3,930,000	4,000,000	4,070,000	4,140,000	4,210,000
Purchased Property Services	1,979,848	1,332,485	1,245,492	1,245,492	1,270,000	1,290,000	1,310,000	1,330,000	1,350,000	1,370,000	1,390,000	1,410,000	1,430,000	1,450,000
Charter School Expense	6,200,638	5,904,490	6,457,500	6,457,500	6,970,000	7,090,000	7,210,000	7,330,000	7,450,000	7,580,000	7,710,000	7,840,000	7,970,000	8,110,000
Other Purchased Services	5,418,648	5,802,701	5,646,957	5,646,957	5,990,000	6,090,000	6,190,000	6,300,000	6,410,000	6,520,000	6,630,000	6,740,000	6,850,000	6,970,000
Supplies/Equipment	6,008,126	6,913,474	6,785,674	6,785,674	7,100,000	6,920,000	6,990,000	7,060,000	7,130,000	7,200,000	7,270,000	7,340,000	7,410,000	7,480,000
Minor Capital Projects	2,096,831	4,617,170	2,138,768	2,138,768	2,181,543	2,225,174	2,269,678	2,315,071	2,361,373	2,408,600	2,456,772	2,505,908	2,556,026	2,607,146
Transfers/contingencies	951,059	1,251,815	2,310,830	2,310,830	1,781,495	1,259,625	1,278,118	1,296,980	1,316,220	1,335,844	1,355,861	1,376,278	1,397,104	1,418,346
Debt Service	4,318,895	4,899,647	5,014,259	7,486,050	7,613,533	7,540,783	7,579,675	7,551,623	7,477,526	7,485,026	7,486,876	7,477,106	6,450,906	6,453,244
Debt Service - Referendum Debt	3,384,493	5,256,275	5,257,725	5,257,725	5,254,125	5,258,625	5,258,125	5,257,625	5,256,875	5,255,625	5,258,625	5,255,375	5,255,875	5,254,625
Transfer to Capital Reserve	11,770,000	10,329,898	6,265,122	3,793,331	1,317,200	1,183,145	2,102,350	2,246,800	1,769,950	1,712,850	1,743,850	1,472,894	1,472,894	1,472,894
Fund Balance Use (PSERS/Legal)	(1,808,281)	(2,379,004)	(2,186,728)	(2,186,728)	(1,207,573)	(659,620)	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	-	-	-
Total Expenses and Fund Balance Transfers	\$138,926,540	\$148,671,348	\$149,935,522	\$149,935,522	\$155,411,539	\$160,601,415	\$165,885,552	\$170,234,950	\$173,790,841	\$178,256,649	\$182,914,661	\$187,972,536	\$192,135,839	\$197,510,946
Total Expense and Transfers (excl fund balance use)	\$140,734,821	\$151,050,352	\$152,122,250	\$152,122,250	\$156,619,112	\$161,261,035	\$166,281,711	\$170,631,109	\$174,187,000	\$178,652,808	\$183,310,820	\$187,972,536	\$192,135,839	\$197,510,946

(1) Salaries, Health Insurance, PSERS, Other Benefits and Other Purchased Service include the estimated cost of additional elementary school programs. Supplies/Equipment includes one-time additional cost for purchase of buses.

Note: Athletics expenses included in each expense line items based on PDE reporting requirments. Previously reported in transfer/contingencies line.

Projection presented in October 2017

State College Area School District
General Fund Balance
10/17/2017

	Actual 2015-2016	Actual 2016-2017	Budget 2017-2018	Projected 2017-2018	Proposed Budget 2018-2019	Projected 2019-2020	Projected 2020-2021	Projected 2021-2022	Projected 2022-2023	Projected 2023-2024	Projected 2024-2025	Projected 2025-2026	Projected 2026-2027	Projected 2027-2028
<u>General Fund - Unassigned</u>														
Beginning Balance	\$10,278,914	\$11,114,602	\$11,750,831	\$11,887,466	\$12,551,322	\$12,618,658	\$12,182,741	\$10,782,365	\$9,490,564	\$9,051,308	\$8,767,002	\$8,525,416	\$8,121,770	\$8,527,620
Revenue less Expense	835,688	772,864	295,099	663,856	67,337	(435,917)	(1,400,376)	(1,291,801)	(439,257)	(284,306)	(241,586)	(403,646)	405,850	168,654
General Fund - Unassigned	\$11,114,602	11,887,466	12,045,930	12,551,322	12,618,658	12,182,741	10,782,365	9,490,564	9,051,308	8,767,002	8,525,416	8,121,770	8,527,620	8,696,274
% of Expense	7.90%	7.87%	7.92%	8.25%	8.06%	7.55%	6.48%	5.56%	5.20%	4.91%	4.65%	4.32%	4.44%	4.40%
<u>General Fund - Assigned</u>														
PSERS														
Beginning Balance	8,572,000	7,313,719	5,484,715	5,484,715	3,847,987	2,640,414	1,980,794	1,584,635	1,188,476	792,317	396,158	-	-	-
Additions														
Uses	(1,258,281)	(1,829,004)	(1,636,728)	(1,636,728)	(1,207,573)	(659,620)	(396,159)	(396,159)	(396,159)	(396,159)	(396,158)	-	-	-
Ending Fund Balance	7,313,719	5,484,715	3,847,987	3,847,987	2,640,414	1,980,794	1,584,635	1,188,476	792,317	396,158	-	-	-	-
Legal Liability														
Beginning Balance	1,650,000	1,100,000	550,000	550,000	-	-	-	-	-	-	-	-	-	-
Additions														
Uses	(550,000)	(550,000)	(550,000)	(550,000)	-	-	-	-	-	-	-	-	-	-
Ending Fund Balance	1,100,000	550,000	-	-	-	-	-	-	-	-	-	-	-	-
Total General Fund - Assigned	\$8,413,719	\$6,034,715	\$3,847,987	\$3,847,987	\$2,640,414	\$1,980,794	\$1,584,635	\$1,188,476	\$792,317	\$396,158	\$0	\$0	\$0	\$0
Total General Fund	19,528,321	17,922,181	15,893,917	16,399,309	15,259,072	14,163,535	12,367,000	10,679,040	9,843,625	9,163,160	8,525,416	8,121,770	8,527,620	8,696,274

State College Area School District
Capital Reserve Fund
10/17/2017

	<u>Actual 2015-2016</u>	<u>Actual 2016-2017</u>	<u>Budget 2017-2018</u>	<u>Projected 2017-2018</u>	<u>Proposed Budget 2018-2019</u>	<u>Projected 2019-2020</u>	<u>Projected 2020-2021</u>	<u>Projected 2021-2022</u>	<u>Projected 2022-2023</u>	<u>Projected 2023-2024</u>	<u>Projected 2024-2025</u>	<u>Projected 2025-2026</u>	<u>Projected 2026-2027</u>	<u>Projected 2027-2028</u>
Beginning Balance	\$31,557,038	\$43,391,547	\$52,041,744	\$53,956,685	\$56,867,683	\$55,797,952	\$44,585,328	\$42,902,636	\$41,353,968	\$39,321,687	\$37,219,226	\$35,133,728	\$30,363,272	\$25,582,416
Additions:														
Transfer	11,770,000	10,329,898	6,265,122	3,793,331	1,317,200	1,183,145	2,102,350	2,246,800	1,769,950	1,712,850	1,743,850	1,472,894	1,472,894	1,472,894
Donation/Net Investment Earnings	64,509	235,240	416,334	416,334	441,069	434,831	347,558	336,532	326,569	312,689	300,052	284,450	284,450	284,450
Total Additions	11,834,509	10,565,138	6,681,456	4,209,665	1,758,269	1,617,976	2,449,908	2,583,332	2,096,519	2,025,539	2,043,902	1,757,344	1,757,344	1,757,344
Uses:														
High School (1a)			(1,594,422)	-	-	-	-	-	-	-	-	-	-	-
High School (1b)						(10,000,000)								
Elementary (2)	-		(1,298,667)	(1,298,667)	(2,828,000)	(2,830,600)	(2,831,400)	(2,830,400)	(2,827,600)	(2,828,000)	(2,831,400)	(2,827,600)	(2,831,800)	(2,828,600)
Other Facilities (3)	-		-	-	-	-	-	-	-	-	-	(2,405,000)	(2,404,800)	(2,404,600)
Athletic Fields (4)							(650,600)	(650,800)	(650,600)	(650,000)	(649,000)	(647,600)	(650,800)	(648,400)
Nittany Ave/Fairmount/Memorial Field (5)							(650,600)	(650,800)	(650,600)	(650,000)	(649,000)	(647,600)	(650,800)	(648,400)
Total Uses	-	-	(2,893,089)	(1,298,667)	(2,828,000)	(12,830,600)	(4,132,600)	(4,132,000)	(4,128,800)	(4,128,000)	(4,129,400)	(6,527,800)	(6,538,200)	(6,530,000)
Net Change	11,834,509	10,565,138	3,788,367	2,910,998	(1,069,731)	(11,212,624)	(1,682,692)	(1,548,668)	(2,032,281)	(2,102,461)	(2,085,498)	(4,770,456)	(4,780,856)	(4,772,656)
Ending Fund Balance	\$43,391,547	\$53,956,685	\$55,830,111	\$56,867,683	\$55,797,952	\$44,585,328	\$42,902,636	\$41,353,968	\$39,321,687	\$37,219,226	\$35,133,728	\$30,363,272	\$25,582,416	\$20,809,760

(1a) High School/Elem Funding: 2017-2018 budget assumed \$1,594,422 estimated debt service on \$46 MM (NW 4.20.2017); debt issued July 2017, therefore debt service moved to general fund expense. Actual debt service for 2017-18 \$2.5MM, however all-in TIC 3.17% vs. 4% projected results in total debt service over 25 years of \$67.9M vs. \$74.7 projected.

(1b) High School Funding: Includes \$10 MM from reserves.

(2) Elementary: debt service for 25 years to fund \$45 MM @ 4%

(3) Other Facilities: Wrapped debt service for 25 years to fund \$60 MM @ 4%.

(4) (5) Other Facilities /Reserves used to fund renovations. Borrowings at 4% 2019-2020.

Assumptions:

Debt service calculation from NW Financial.

Borrowing potential may change as a result of interest rate movement.

Debt service based upon level repayment with the exception of (3).