

**STATE COLLEGE AREA SCHOOL DISTRICT****Office of Finance and Operations**

240 VILLA CREST DRIVE • STATE COLLEGE PENNSYLVANIA • 16801

TELEPHONE: 814-231-1016 • FAX: 814-231-4130

To: Robert J. O'Donnell
From: Randy Brown and Donna Watson
Date: October 19, 2017
Re: Budget Development 2018-2019 and Capital Financing Update

This update addresses the budget development calendar for 2018-2019 and future capital financing considerations.

Budget Development Calendar for 2018-2019

The budget development calendar for 2018-2019 fiscal year is attached (attachment A). This calendar includes steps and deadlines for the budget process under the Act 1 timeframe.

Internally, the district administration analyzes each budget component on an annual basis. As discussed previously, we would like to propose a prioritization or a matrix of categories and classifications for budget analysis in the development process with the Board. The categories and classifications derive primarily from an expense matrix introduced during the last budget cycle (attachment B).

The purpose of the matrix is to identify a cycle for analyzing the components of the budget. Priority will be used in assigning budget components based upon percentage composition of and sensitivity to the budget. The frequency items included in the budget matrix for analysis may also vary depending upon the contents, makeup and potential impacts of the budget proposal.

The proposed matrix includes:

Annual	Salaries, benefits, debt service, capital, charter school expense, PSERS, regular programs, special programs, and revenue -Includes analysis of student enrollment and employees
Two-Year	Transportation, food services, operation and maintenance of plant, technology, vocational education, Delta, support services - special education, learning enrichment and gifted -professional and purchased services
Other	Community education/CEEL

Keeping in mind that looking at regular and special education programs, for example, will include a cross function analysis of salaries, benefits, services, supplies, and so on. Whereas, an analysis of an expense, such as salaries, will look at all employees in the organization.

Our goal is to annually look at the vast majority of the budget composition with the Board without analyzing each component, in order to provide the highest level of certainty in the budget process.

Proposed 2018-2019 Budget Analysis:

For the 2018-2019 Budget Proposal we recommend analyzing salaries, benefits, debt service, capital, charter school expense, PSERS, transportation, and Community Education/CEEL.

- Salaries and benefits: Each year we proposed analyzing salaries and benefits due to the service nature of our organization and the relative size of the budget.
- Debt service and capital: Recommend annual review due to the relative size of the budget and number of capital projects currently in construction or being developed.
- Charter school expenses (including comparison of special education payment rate versus district provided service cost): This expense has the potential to be volatile with a lack of direct control by the district.
- PSERS: Employer share of PSERS continues to be an area of little control, resulting in the recommendation to review annually.
- Current Year Recommendations for Review:
 - Community education/CEEL continues to be a relatively new and growing program which warrants during this cycle.
 - Transportation expenses due to proposed change in student day schedule.

A schedule for the timing of each of these budget components will be reviewed for the next Finance Committee meeting before returning to the Board.

Preliminary Proposed Budget versus Opt Out Resolution:

The Act 1 budget process includes two options for the Board in the early stages of development.

- Preliminary Proposed Budget requires a detailed report approved by the Board then submitted to PDE. This report is similar to the Final Budget report in detail and format. Using the preliminary proposed budget allows the Board the opportunity to apply for and potentially use referendum exceptions to increase the real estate tax rate in excess of the Act 1 Index.
 - An estimate of possible exceptions at this point is calculated at approximately \$2,000,000 for special education and PSERS expenses.
- The Opt Out Resolution allows the Board to communicate to the community and PDE that the real estate tax increase for 2018-19 will be equal to or less than the Act 1 Index in the amount of 2.4%.

The budget projections prepared do not include a real tax rate of increase in excess of 2.4% for 2018-2019. In fact, these projections include a rate of increase equal to only 2.0%.

The administration recommends, if the Board does not intend to consider use of referendum exceptions, that the Opt Out Resolution be prepared for Board approval. The Board should be prepared to provide this direction.

Capital Financing

The multi-year budget summaries (attachment C) include final 2016-2017 actual financial results. The projections for 2017-2018 have been updated based upon:

- Assessed value increase of 1.36% compared to 1.00% included in the budget
- Earned income tax revenue increased by \$130,000, the same amount 2016-2017 revenue exceeded projection
- Debt service is reduced reflective of the schedule from the debt issued in July 2017
- Estimated costs for student day remain at previous amounts for staffing and transportation, pending further analysis

A summary of the impact of a no tax increase in 2018-2019 and only a one percent tax increase during the projection period have been provided for explanatory purposes. No tax increase in the 2018-2019 year equals approximately \$2 million representing the cost of twenty teachers or one-half of the annual capital reserve transfer. The rate of real estate increase is estimated at 2.00%, the historical five year average.

Capital Reserve Fund Balance:

Using the multi-year projections, the projected capital reserve ending fund balance is \$32 million up from \$27 million at the time the 2017-2018 budget was approved. The revenue and debt service changes result in the increased fund balance.

What does this mean? The capacity exists to fund the elementary projects at the budgeted level. Although the debt has not yet been issued providing debt service schedules, as with the high school project, we expect the actual interest rate to remain below the 4% budgeted.

Further analysis needed: Given the amount of capital projects slated to be financed including the three elementary, Memorial Field, and Park Forest Middle, the capital reserve projection is not believed to be excessive. The finance committee discussed a continued desire to answer the question: What is the right amount to budget/invest in capital financing? In recent projects, the district has had to complete wholesale inclusive renovation projects to school buildings due to the building conditions. The administration seeks to achieve a replacement and repair cycle focusing on major systems and building components instead of waiting for wholesale renovations. Understanding the financial need for this type of cycle is a priority in the near future.

Attachment A

State College Area School District

2018-19 Budget Development – September 18, 2017

Key dates in the budget process based on PDE published filing requirements.

September 30

- PDE deadline to notify school districts of applicable base index or adjusted index; and of next year budget process timeline.
 - 2.4% Index for 2017-18

December 30

- District deadline to notify residential property owners not currently approved or whose approval is due to expire that the owner must submit a completed application to county assessment office to qualify for homestead exclusion. Deadline for submitting application is March 1.

January 8

- Review and discuss Proposed Preliminary Budget. Public display of preliminary budget to be recommended for board approval at the January 22 board meeting. (Adopt *Resolution Authorizing Preliminary Budget Display and Advertising*. Note: Unless school district intends to adopt opt out resolution, must display and advertise.)

January 22 – Board Action Required

- Proposed Preliminary Budget for board approval. (PDE deadline January 26 - 110 days prior to primary election, or 20 days prior to preliminary budget adoption. Proposed Preliminary Budget on Form PDE-2028 available for public inspection OR adopt opt out resolution stating district will not raise the rate of any tax by more than index)

January 26

- Deadline to submit to PDE copy of opt out resolution and related proposed tax rate increases (PDE deadline 5 days after resolution adoption)
- Presentation of referendum exception calculation for board discussion.

February 2

- Publish notice of intent to adopt 2018-2019 Preliminary Budget (10 days prior to adoption)

February 12 – Board Action Required

- Approve Preliminary Budget
- Referendum exceptions for board approval (PDE deadline March 1)

February 19

- Submit to PDE Preliminary Budget and related proposed tax rate increases (PDE-2028, including Real Estate Tax Rate Report. 85 days prior to primary election)

February 19

- Publish and post on district website notice of intent to apply to PDE for referendum exceptions

February 26 – Board Action Required

- Approve Referendum Exceptions

March 1

- PDE deadline to file referendum exception request (75 days prior to primary election)
- Deadline for residential property owners to submit homestead application to county assessment office.

March 21

- PDE to rule on school district request for referendum exception (55 days prior to primary election)

April 23

- Presentation of district Proposed Final Budget for 2018-2019

May 7 – Board Action Required

- Adopt Proposed Final Budget for 2018-2019. (Resolution and advertising - 30 days prior to final budget adoption; PDE Deadline May 31)
- School Board President to sign and send to PDE Certification of Use of PDE-2028

May 15

- Primary Election Day

May 23

- 20 days prior to final budget adoption - Proposed Final Budget on Form PDE-2028 available for public inspection

June 1

- Publish notice of intent to adopt Final Budget (10 days prior to final budget adoption)

June 4

- Public hearing for 2018-2019 Final Budget

June 11 - Board Action Required

- Adopt Final Budget on Form PDE-2028 (resolution)
- Homestead and Farmstead Exclusion Resolution
- Annual Tax Levy Resolution
- Installment Payment Plan Resolution

Attachment B

State College Area School District
Expenses by Submajor Function
Budget 2017-18

	Salaries		Benefits		Professional Services		Purchased Property Services		Other Purchased Services		Supplies/Equip		Other Expense and Financing Uses		Total Expense	
Instructional																
Regular Programs	\$35,203,651	23.14%	\$20,275,188	13.33%	\$42,406	0.03%	\$31,902	0.02%	\$5,422,356	3.56%	\$827,788	0.54%	\$47,204	0.03%	\$61,850,495	40.66%
Special Programs	8,453,094	5.56%	6,121,451	4.02%	648,900	0.43%	31,320	0.02%	2,263,947	1.49%	286,254	0.19%	8,240	0.01%	\$17,813,206	11.71%
Vocational Education	2,226,904	1.46%	1,334,586	0.88%	22,010	0.01%	2,951	0.00%	39,715	0.03%	116,805	0.08%	14,784	0.01%	\$3,757,755	2.47%
Other Programs	1,007,158	0.66%	584,654	0.38%	88,874	0.06%	1,585	0.00%	29,661	0.02%	112,037	0.07%	25,953	0.02%	\$1,849,922	1.22%
Total Instructional	46,890,807	30.82%	28,315,879	18.61%	802,190	0.53%	67,758	0.04%	7,755,679	5.10%	1,342,884	0.88%	96,181	0.06%	\$85,271,378	56.05%
Support Services																
Support Services- Students	2,916,069	1.92%	1,831,445	1.20%	127,990	0.08%	500	0.00%	26,910	0.02%	57,648	0.04%	2,630	0.00%	\$4,963,192	3.26%
Support Services- Inst Staff	2,794,088	1.84%	1,945,325	1.28%	106,670	0.07%	-	0.00%	46,952	0.03%	406,139	0.27%	3,575	0.00%	\$5,302,749	3.49%
Support Services- Admin	4,226,509	2.78%	2,567,911	1.69%	934,169	0.61%	12,051	0.01%	134,251	0.09%	118,084	0.08%	50,735	0.03%	\$8,043,710	5.29%
Support Services- Pupil Health	885,246	0.58%	607,327	0.40%	40,810	0.03%	812	0.00%	500	0.00%	13,400	0.01%	-	0.00%	\$1,548,095	1.02%
Support Services- Business	754,359	0.50%	419,515	0.28%	98,950	0.07%	-	0.00%	67,575	0.04%	20,775	0.01%	12,288	0.01%	\$1,373,462	0.90%
Oper & Maint- Plant Services	3,584,091	2.36%	2,615,561	1.72%	297,720	0.20%	1,019,691	0.67%	293,300	0.19%	1,999,700	1.31%	7,000	0.00%	\$9,817,063	6.45%
Student Transportation	1,338,718	0.88%	1,066,576	0.70%	11,107	0.01%	38,551	0.03%	3,259,310	2.14%	509,987	0.34%	1,890	0.00%	\$6,226,139	4.09%
Support Services- Central	1,789,263	1.18%	1,093,189	0.72%	435,984	0.29%	84,339	0.06%	456,950	0.30%	2,159,838	1.42%	53,000	0.03%	\$6,072,563	3.99%
Total Support Services	18,288,343	12.02%	12,146,849	7.98%	2,053,400	1.35%	1,155,944	0.76%	4,285,748	2.82%	5,285,571	3.47%	131,118	0.09%	\$43,346,973	28.49%
Non-Instructional (Student Activities/Athletics/Comm Ed)	1,302,880	0.86%	499,916	0.33%	664,658	0.44%	21,790	0.01%	63,030	0.04%	152,219	0.10%	99,492	0.07%	\$2,803,985	1.84%
Transfers																
Food Service Transfer	-		-		-		-		-		-		332,109	0.22%	\$332,109	0.22%
Total Operating Expenses	66,482,030	43.70%	40,962,644	26.93%	3,520,248	2.31%	1,245,492	0.82%	12,104,457	7.96%	6,780,674	4.46%	658,900	0.43%	\$131,754,445	86.61%
Financing & Capital Expenses																
Debt Service - Transfer	-		-		-		-		-		5,000	0.00%	5,629,259	3.70%	\$5,634,259	3.70%
Debt Service - Referendum	-		-		-		-		-		-		5,257,725	3.46%	\$5,257,725	3.46%
Capital Projects Transfer	-		-		-		-		-		-		2,138,768	1.41%	\$2,138,768	1.41%
Capital Reserve Transfer	-		-		-		-		-		-		6,265,122	4.12%	\$6,265,122	4.12%
Facilities Acq, Const, & Improv					35,000	0.02%									\$35,000	0.02%
Budgetary Reserve	-		-		-		-		-		-		1,036,930	0.68%	\$1,036,930	0.68%
Total Financing & Capital Expenses	-		-		35,000	0.02%	-		-		5,000	0.00%	20,327,804	13.36%	\$20,367,804	13.39%
Total Expenses	\$66,482,030	43.70%	\$40,962,644	26.93%	\$3,555,248	2.34%	\$1,245,492	0.82%	\$12,104,457	7.96%	\$6,785,674	4.46%	\$20,986,704	13.80%	\$152,122,249	

1100 REGULAR PROGRAMS – ELEMENTARY / SECONDARY

Activities designed to provide grades K–12 students with learning experiences to prepare them for activities as citizens, family members, and non-vocational workers as contrasted with programs designed to improve or overcome physical, mental, social and/or emotional handicaps.

1200 SPECIAL PROGRAMS – ELEMENTARY / SECONDARY

Activities designed primarily for students having special needs. The Special Programs include support classes for pre-kindergarten, kindergarten, elementary, and secondary students identified as exceptional.

1300 VOCATIONAL EDUCATION

PDE approved programs under public supervision and control that provide organized learning experiences designed to develop skills, knowledge, attitudes, and work habits in order to prepare individuals for entrance into and progress through various levels of employment in occupational fields including agriculture, business, distribution, health, gainful, and useful home economics, and trade and industry. PDE approved programs are those programs approved by the Pennsylvania Department of Education as reflected in the approved program listing of the Career and Technical Education Information System (CATS). All vocational type programs that are not PDE approved should be coded to one of the remaining instructional function codes (1100, 1200, etc.) Federal Vocational Education CIP codes are posted by the Bureau of Career and Technical Education to the PDE website. Include in the 1300 subfunctions any amount paid by an LEA to another LEA for vocational education including tuition, capital outlay, and authority rental payments.

1400 OTHER INSTRUCTIONAL PROGRAMS – ELEMENTARY / SECONDARY

Activities that provide grades K-12 students with learning experiences not included in the function codes 1100-1300, 1500, 1600, and 1800.

1500 NONPUBLIC SCHOOL PROGRAMS (For IU and school district use only)

Activities for students attending a school established by an agency other than the State, a subdivision of the State, or the Federal government, which usually is supported primarily by other than public funds. The services consist of such activities as those involved in providing instructional services. Attendance, social work, health services, and transportation are classified to the applicable 2000 support services function for nonpublic schools.

1600 * ADULT EDUCATION PROGRAMS

Activities designed to develop knowledge and skills to meet immediate and long-range educational objectives of adults. Programs include activities to foster the development of fundamental tools of learning; to prepare for a postsecondary career; or for postsecondary educational programs; to upgrade occupational competence, prepare for a new or different career; to develop skills and appreciations for

special interests; or to enrich the aesthetic qualities of life. School district sponsorship of community colleges, adult basic education programs, Federal adult education programs, including educational and administrative costs are included in this category.

2000 SUPPORT SERVICES

Support Services are those services that provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction. Support Services exist as adjuncts for the fulfillment of the objectives of instruction, community services, and enterprise programs, rather than as entities within themselves.

2100 SUPPORT SERVICES – STUDENTS

Activities designed to assess and improve the well-being of students to supplement the teaching process and to meet the applicable provisions of Article XIII of the Public School Code of 1949, as amended, and Chapter 7 of the State Board of Education Regulations. Included in this sub-function are program coordination, consultation, and services to the pupil personnel staff of an LEA.

2200 SUPPORT SERVICES – INSTRUCTIONAL STAFF

Activities associated with assisting, supporting, advising, and directing the instructional staff with or on the content and process of providing learning experiences for students.

(Expenditures for school library services are recorded to 2250.)

2300 SUPPORT SERVICES – ADMINISTRATION

Activities concerned with establishing and administering policy in connection with operating the LEA.

2400 SUPPORT SERVICES – PUPIL HEALTH

Physical and mental health services, which are not direct instruction. Included are activities that provide students with appropriate medical, dental, and nurse services (Expenditures for nonpublic health services must be recorded to sub-account 2450.)

2500 SUPPORT SERVICES – BUSINESS

Activities concerned with paying, transporting, exchanging, and maintaining goods and services for the LEA. Included are the fiscal and internal services necessary for operating the LEA.

2600 OPERATION AND MAINTENANCE OF PLANT SERVICES

The activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition and state of repair.

Expenditures posted here include the purchase of original or replacement equipment used to maintain buildings and grounds, as well as routine (ordinary and necessary) costs incurred to maintain safety and

operational efficiency of buildings and grounds. Also included are costs of building rental within object 400. (Extraordinary and non-routine costs incurred for repair or improvements to buildings and grounds should not be recorded here but should be charged to the 4000 function series.)

2700 STUDENT TRANSPORTATION SERVICES

Expenditures include those activities concerned with the conveyance of students to and from school, as provided by State and Federal law. It includes transportation costs only for trips between home and school and from school to school. Record transportation costs for educational field trips and student activities to the applicable instructional or student activity function area. Ensure that nonpublic transportation costs are identified and reported in sub-function 2750.

2800 SUPPORT SERVICES – CENTRAL

Activities, other than general administration, which support each of the other instructional and supporting services program. These activities include planning, research, development, evaluation, information, staff, and data processing services.

2900 OTHER SUPPORT SERVICES

All other support services not classified elsewhere in the 2000 series.

3000 OPERATION OF NON-INSTRUCTIONAL SERVICES

Activities concerned with providing non-instructional services to students, staff or the community.

3200 STUDENT ACTIVITIES

School sponsored activities under the guidance and supervision of the LEA staff.

(Expenditures may be charged to this account but if a further breakout is desired, the following sub-accounts may be used.)

3300 COMMUNITY SERVICES

Those activities concerned with providing community services to students, staff or other community participants. Examples of this function would be the operation of a community swimming pool, a recreation program for the elderly, a child-care center for working mothers, etc.

3400 SCHOLARSHIPS AND AWARDS

Record here the amounts associated with awards or scholarships not accounted for in any other area, e.g. Board Services.

4000 FACILITIES ACQUISITION, CONSTRUCTION, AND IMPROVEMENT SERVICES

Capital Facilities Acquisition, Construction, and Improvements are capital expenditures incurred to purchase land, buildings, service systems, and built-in equipment. Expenditures include the initial

purchase of land and buildings; construction; remodeling, additions, and improvements to buildings; initial installation, replacement or extension of service systems; and other built-in equipment, as well as improvement to sites, and activities related to all of the above.

Capital expenditures relate to costs benefiting more than one fiscal year and include all costs incurred to (1) bring the asset to a state of usefulness or (2) extend the useful life of an existing asset. All incidental costs associated with a fixed asset such as: sales tax, freight, insurance on freight, transfer fees, demolition costs, grading, and installation, as well as legal, contracted service fees, and engineering fees associated with a capital expenditure should be included in the cost of the asset and recorded to the following subfunctions.

4100 SITE ACQUISITION SERVICES – ORIGINAL AND ADDITIONAL

Record to this subfunction the costs incurred to purchase land and make initial improvements to new land acquisitions. Expenditures to be recorded here include: purchase price of the land, settlement costs, transfer fees, demolition, grading, survey, paving, sealing, lighting, and all other professional fees associated with the purchase.

4200 EXISTING SITE IMPROVEMENT SERVICES

Record to this subfunction the costs incurred to improve existing land and land improvements. Expenditures in this subfunction include non-routine and extraordinary costs incurred to improve or maintain existing sites.

4300 ARCHITECTURE AND ENGINEERING SERVICES / EDUCATIONAL SPECIFICATIONS DEVELOPMENT – ORIGINAL AND ADDITIONAL

The activities of architects and engineers related to acquiring and improving sites and improving buildings. Also, those activities concerned with preparing and interpreting to architects and engineers descriptions of space requirements for the various learning experiences of students to be accommodated in a building. Charges for these specifications are made to this account only for those preliminary activities in the early stages of blueprint development, which may or may not result in improvements to the LEA's property. Otherwise, charge these services to 4100 or 4500, as appropriate

4400 ARCHITECTURE AND ENGINEERING SERVICES / EDUCATIONAL SPECIFICATIONS – IMPROVEMENTS

The activities of architects and engineers related to existing site improvement and existing building improvement services. Also, those activities concerned with preparing and interpreting to architects and engineers descriptions of the improvements services. Charges for these specifications are made to this account only for those preliminary activities in the early stages of blueprint development, which may or may not result in improvements to the LEA's property. Otherwise, charge these services to 4200 or 4600, as appropriate.

4500 BUILDING ACQUISITION AND CONSTRUCTION SERVICES – ORIGINAL AND ADDITIONAL

Record here the costs incurred to purchase or construct buildings, additions to buildings, and original or additional installation or extension of service systems and built-in equipment.

4600 EXISTING BUILDING IMPROVEMENT SERVICES

Record to this subfunction the capital expenditures incurred to renovate or improve existing buildings, service systems, and other built-in equipment. Capital expenditures include non-routine and extraordinary (or substantial) costs incurred to maintain or improve buildings, service systems, and other built-in equipment.

5000 OTHER EXPENDITURES AND FINANCING USES

This category includes current debt service expenditures and other expenses (expenditures and other financing uses). Other financing uses represent the disbursement of governmental funds not classified in other functional areas that require budgetary and accounting control. These include the refunding of debt and transfers of monies from one fund to another and to component units. Other expenditures recorded to this account series include refunds of prior period receipts and revenues, and current debt service expenditures. (Do not record transactions here, but use the following sub-accounts.)

5100 DEBT SERVICE / OTHER EXPENDITURES AND FINANCING USES

Servicing of the debt of the LEA including payments on general long-term debt, authority obligations and interest.

5200 INTERFUND TRANSFERS – OUT

Included are transactions that withdraw money from one fund and place it in another without recourse.

Interfund loans are not recorded here, but are handled through the balance sheet accounts 0131 – Interfund Loans Receivable and 0401 – Interfund Loans Payable in the funds affected.

Section E

Expenditures and Other Financing Uses

❖ *Expenditures*

Expenditures and expenses are decreases of net financial resources in the applicable funds. They are classified in this Chart of Accounts by fund, function, object, funding source, instructional organization, and operational unit as required dimensions; subject matter, job classification, and special cost center as LEA optional dimensions. (These dimensions have been defined in Chart of Accounts Introduction)

The expenditure and expense accounting system has been so structured that all the costs within the particular subdivisions of that function can be combined to form a summary total of related costs. Costs are recorded only once so that they are mutually exclusive. The aggregation of mutually exclusive and related costs makes possible comparisons between the various functions and subdivisions of that function.

*** Functions and subfunctions that are required for state reporting purposes have been designated with an asterisk following the function/subfunction number.**

❖ *Other Financing Uses*

Other Financing Uses include outlays for debt service, fund transfers, and similar type transactions. Other financing uses are classified separately from the expenditures in Function 5000.

Note: In this manual, administrative functions are organized within the accounting structure in relation to the magnitude of expenditures usually found in a typical LEA. However, an LEA does not have to structure its administrative organization to conform to this accounting structure.

❖ *Expenditure Function Codes*

1000 INSTRUCTION

Instruction includes all those activities dealing directly with the interaction between teachers and students and related costs¹, which can be directly attributed to a program of instruction. Teaching may be provided for students in a school classroom, in another location such as a home or hospital, and in other learning situations such as those involving co-curricular activities. It may also be provided through some other approved medium such as web-based/computerized, television, radio, telephone, and correspondence. Included here are the activities of aides or classroom assistance of any type (clerks, graders, teaching machines, etc.) that assist in the instructional process. Do not record administrative instructional support costs here.

¹ Related costs include instructional expenditures for salaries, contracted services, travel expenses, equipment rental, supplies, books, maintenance costs directly attributable to instructional equipment and other expenses such as sabbatical leaves.

INSTRUCTION FUNCTION AND PROGRAM CODING

Program coding is included in the instruction function, e.g. 1000, 1100, 1200: 1000 is the Instruction Function and 1100 is the Regular Instruction Program, 1200 is the Special Instruction Program, etc.

1100 REGULAR PROGRAMS – ELEMENTARY / SECONDARY

Activities designed to provide grades K–12 students with learning experiences to prepare them for activities as citizens, family members, and non-vocational workers as contrasted with programs designed to improve or overcome physical, mental, social and/or emotional handicaps. (Record expenditures to the following sub-accounts.)

1110 * REGULAR PROGRAMS

Use this account to record all regular education costs other than those reported in functions 1140 and 1190.

1140 * EARLY INTERVENING SERVICES

Use this account to record federally funded Individuals with Disabilities Improvement Act (IDEA-B) Pass through Funds expenditures incurred to develop and implement coordinated early intervening services (EIS) for students in kindergarten through 12th grade. These students have not been identified as needing special education or related services but need additional academic and behavioral support to succeed in a general education environment. Some examples of EIS Activities include scientifically based academic instruction and behavioral interventions for students; education, and behavioral evaluations, services and supports, including scientifically based literacy instruction; and professional development for teachers and other school staff to enable them to deliver scientifically based academic instruction and behavioral interventions.

1190 FEDERALLY FUNDED REGULAR PROGRAMS (use is optional)

This service area includes the expenditures for regular instruction that are supported by federal revenue other than early intervening services. Recording to this function is optional. This function is provided as a means for schools to capture all federal expenditures for regular instruction within a separate sub-function if desired.

1200 SPECIAL PROGRAMS – ELEMENTARY / SECONDARY

Activities designed primarily for students having special needs. The Special Programs include support classes for pre-kindergarten, kindergarten, elementary, and secondary students identified as exceptional. (Record expenditures to the following sub-accounts.)

1210 * LIFE SKILLS SUPPORT

This service area includes the expenditures incurred to operate classes for exceptional students where the focus is primarily on the needs of the students for independent living.

1211 Life Skills Support – Public

Record to this area of responsibility the expenditures incurred to provide life skills classes in a public school program.

1212 Life Skills Support – PRRI

Record to this area of responsibility the expenditures incurred for the life skills classes provided by a private residential rehabilitative institution.

1220 * SENSORY SUPPORT

This service area includes the expenditures incurred to operate classes for exceptional students that have been identified as Deaf / Hearing Impaired, Blind / Visually Impaired, or Speech / Language Impaired.

1221 Deaf or Hearing Impaired Support

Record to this area of responsibility the expenditures incurred to operate classes where the primary focus is for exceptional students identified as Deaf or Hearing Impaired.

1224 Blind or Visually Impaired Support

Record to this area of responsibility the expenditures incurred to operate classes where the primary focus is for exceptional students identified as Blind or Visually Impaired.

1225 Speech and Language Support

Record to this area of responsibility the expenditures incurred to operate classes where the primary focus is for exceptional students identified as Speech or Language Impaired. **Note: Do not record costs associated with English as a Second Language to this code.**

1230 * EMOTIONAL SUPPORT

This service area includes the expenditures incurred to operate classes for exceptional students where the focus is on the emotional support needs of the student.

1231 Emotional Support – Public

Record to this area of responsibility the expenditures incurred to provide emotional support classes in a public school program.

1232 Emotional Support – PRRI

Record to this area of responsibility the expenditures incurred for emotional support classes provided by a private residential rehabilitative institution.

1233 Autistic Support

Record to this area of responsibility the expenditures incurred to operate classes for exceptional children identified as autistic.

1240 ACADEMIC SUPPORT

This service area includes the expenditures incurred to provide instruction to exceptional children where the primary focus of the class is academic learning. (Record expenditures to the following sub-accounts.)

1241 * Learning Support – Public

Record to this area of responsibility the expenditures incurred to provide instruction in a public school program to serve exceptional students whose primary identified need is academic learning.

1242 * Learning Support – PRRI

Record to this area of responsibility the expenditures incurred to provide instruction by a private residential rehabilitative institution for exceptional students whose primary identified need is academic learning.

1243 * Gifted Support

Record to this area of responsibility the expenditures incurred to provide instruction for exceptional students identified as mentally gifted. **Use of this code is required to track all expenditures related to gifted education in order to include the costs accurately in State reporting.**

1260 * PHYSICAL SUPPORT

This service area includes expenditures incurred for classes operated for exceptional students where the special education program meets the needs of a physically disabled student.

1270 * MULTI-HANDICAPPED SUPPORT

This service area includes expenditures incurred to operate classes for exceptional students who are multi-handicapped.

1280 * EARLY INTERVENTION SUPPORT

This service area includes the instructional expenditures incurred to operate classes for students qualifying for early intervention services, e.g., Developmental Delay.

1281 Developmental Delay Support

Record to this area of responsibility the instructional expenditures incurred to provide classes for exceptional students identified as developmentally delayed.

1290 * SPECIAL PROGRAMS - OTHER SUPPORT

Record to this service area the instructional expenditures incurred for special programs that do not meet any of the definitions listed in the 1200 series above. Include in this account expenditures for Approved Private School, PRRI, IU special class and IU Institutionalized Children deductions or expenditures approved by the Pennsylvania Department of Education through the formal budgetary approval process.

- Diagnostic Services should be coded to 2100 and/or 2200 depending on the type of expenditure.
- Director of Special Education should be coded to 2260.

1300 * VOCATIONAL EDUCATION

PDE approved programs under public supervision and control that provide organized learning experiences designed to develop skills, knowledge, attitudes, and work habits in order to prepare individuals for entrance into and progress through various levels of employment in occupational fields including agriculture, business, distribution, health, gainful, and useful home economics, and trade and industry. PDE approved programs are those programs approved by the Pennsylvania Department of Education as reflected in the approved program listing of the Career and Technical Education Information System (CATS). All vocational type programs that are not PDE approved should be coded to one of the remaining instructional function codes (1100, 1200, etc.) Federal Vocational Education CIP codes are posted by the Bureau of Career and Technical Education to the PDE website. Include in the 1300 subfunctions any amount paid by an LEA to another LEA for vocational education including tuition, capital outlay, and authority rental payments.

1310 AGRICULTURAL EDUCATION

That form of vocational education designed for agricultural, off-farm agribusiness, renewable natural resources and environmental occupations including the development of leadership, knowledge and skills in each area, as reported under CATS.

1320 MARKETING AND DISTRIBUTIVE EDUCATION

That form of vocational education designed to prepare individuals to enter or advance in a marketing or distributive occupation requiring competency in one or more of the functions of marketing / distribution or knowledge of products and services, as reported under CATS.

1330 HEALTH OCCUPATIONS EDUCATION

That form of vocational education comprising subject matter and planned clinical and or customized experience for preparing individuals to provide care and health services in support of the health professions within the health industry, as reported under CATS.

1340 HOME ECONOMICS EDUCATION

That form of vocational education that focuses on preparing students for the role of homemaker or wage earner. Include occupational programs designed to prepare students for employment in occupations that use the knowledge, skills, and attitudes in the subject matter areas of home economics. Also include programs that designed to help individuals and families improve the home environment and the quality of family life, as reported under CATS.

1341 Consumer and Homemaking Education

That form of vocational education, which prepares students for the role of homemaker and helps individuals and families improve the home environment and the quality of family life, as reported under CATS.

1342 Occupational Home Economics Education

That form of vocational education designed as an occupational program to prepare students for employment in occupations that use the knowledge, skills, and attitudes in the subject matter areas of home economics, as reported under CATS.

1350 INDUSTRIAL ARTS EDUCATION

Those education programs which pertain to the body of related subject matter, or related courses, organized for the development of understanding about all aspects of industry and technology, including learning experiences involving activities such as experimenting, designing, constructing, evaluating, and using tools, machines, materials, and processes, as reported under CATS. These programs also assist individuals in the making of informed and meaningful occupational choices to prepare them for entry into advanced trade and industrial or technical education programs.

1360 BUSINESS EDUCATION

That form of vocational education designed to prepare an individual to enter or advance in an occupational field wherein success is largely dependent upon skills, knowledge, attitudes, work habits, and leadership development necessary to demonstrate competency in accounting, clerical, data processing or secretarial occupations and similar business pursuits, as reported under CATS.

1370 TECHNICAL EDUCATION

A vocational education program designed to prepare an individual to enter or advance in an occupational field requiring use of technical skills or laboratory techniques the practice of which involves application of scientific principles, supporting mathematics, management principles, and technical information, as reported under CATS.

1380 TRADE AND INDUSTRIAL EDUCATION

That form of vocational education designed to develop manipulative skills and leadership abilities, acquire technical knowledge, and related occupational information to prepare an individual for initial employment, upgrading or retraining out-of-school youth and adult workers in trade, technical, and industrial occupations, as reported under CATS.

1390 OTHER VOCATIONAL EDUCATION PROGRAMS

Other PDE-approved programs not specified in the 1300 series of accounts which are reported under CATS. Included in this account is any amount paid by an LEA to another LEA for vocational education including tuition, capital outlay, and authority rental payments.

1400 OTHER INSTRUCTIONAL PROGRAMS – ELEMENTARY / SECONDARY

Activities that provide grades K-12 students with learning experiences not included in the function codes 1100-1300, 1500, 1600, and 1800. (Record expenditures to the following sub-accounts.)

1410 * DRIVERS' EDUCATION

Driver Education for students in accordance with provision of Sections 1519 and 1519.1 of the Public School Code.

1420 * SUMMER SCHOOL

Instructional education provided during the summer months between the end of one regular school term and the beginning of the next regular school term.

1430 * HOMEBOUND INSTRUCTION

Instructional education provided to homebound students in accordance with Section 2510.1 of the Public School Code.

1440 ALTERNATIVE REGULAR EDUCATION PROGRAMS

Use this account to record direct instructional expenditures incurred to provide regular education programs and / or classes for students in detention homes and centers, private residential rehabilitative institutions (PRRI), youth development centers (YDC), youth or youthful offenders in the State Correctional Facilities, and Pennsylvania Department of Education approved alternative education programs. **DO NOT record special education services to this service area account.** Special education expenditures for the above activities should be recorded to the service area accounts within the 1200 function. (Record expenditures to the following sub-accounts.)

1441 * Adjudicated / Court Placed Programs

This account should be used to record expenditures incurred to educate adjudicated or court-placed children. Examples of the type of expenditures to be recorded here include: instructional costs associated with children in detention homes and centers, private residential rehabilitative institutions, state correctional facilities, youth development centers, and program expenditures similar in nature. DO NOT record expenditures associated with Pennsylvania Department of Education approved alternative education programs here.

1442 * Alternative Education Programs

This account should be used to record expenditures incurred to educate children in Pennsylvania Department of Education approved programs which remove them from regular school programs in order to provide them with a sound educational curriculum and counseling designed to modify disruptive behavior.

1450 * INSTRUCTIONAL PROGRAMS OUTSIDE THE ESTABLISHED SCHOOL DAY

This account should be used to record expenditures for providing regular instruction for before and after school programs. Record tutoring programs if provided outside the

normal school hours to this function. Tutoring during the regular school day should be recorded in the appropriate function.

1490 * ADDITIONAL OTHER INSTRUCTIONAL PROGRAMS

Instructional programs applicable to but not listed elsewhere in the 1400 series. **Include here costs for Early College High School, Middle College High School, and Gateway to College dual enrollment programs. Also include here costs associated with PSSA testing.**

1500 * NONPUBLIC SCHOOL PROGRAMS (For IU and school district use only)

Activities for students attending a school established by an agency other than the State, a subdivision of the State, or the Federal government, which usually is supported primarily by other than public funds. The services consist of such activities as those involved in providing instructional services. Attendance, social work, health services, and transportation are classified to the applicable 2000 support services function for nonpublic schools.

1600 * ADULT EDUCATION PROGRAMS

Activities designed to develop knowledge and skills to meet immediate and long-range educational objectives of adults. Programs include activities to foster the development of fundamental tools of learning; to prepare for a postsecondary career; or for postsecondary educational programs; to upgrade occupational competence, prepare for a new or different career; to develop skills and appreciations for special interests; or to enrich the aesthetic qualities of life. **School district sponsorship of community colleges**, adult basic education programs, Federal adult education programs, including educational and administrative costs are included in this category. (Record expenditures to the following sub-accounts.)

1610 ADULT VOCATIONAL EDUCATION

A part-time or full-time program of instruction designed for youth and adults who have left or completed high school and desire to pursue a vocational education curriculum or course in preparation for entrance into the labor market or who desire to acquire new or updated skills. Include here administrative costs for this program.

1690 OTHER ADULT EDUCATION PROGRAMS

Other adult education programs not designated under the account 1610, e.g. General Equivalency Diploma (GED), Adult Basic Education, and Standard Evening High School Programs. (Record expenditures to the following sub-accounts.)

1691 Instructional Services

Include those activities directly involved with the teaching of adult education programs. Include the expenditures for adult education teachers.

1692 Tutor Training

Includes those activities directly involved with the training of volunteer tutor trainers, e.g., instructors, clerical services such as setting up tutor training sessions, books, and other instructional materials used by tutor trainers and tutors in training, equipment and facility rental necessary to conduct tutor training, and ongoing evaluation of tutors.

1693 Community College Sponsorship

Include sponsoring district payments to community colleges.

1699 Other Adult Programs

All other costs not captured elsewhere in the 1690 series including administrative costs.

1700 * HIGHER EDUCATION PROGRAMS FOR SECONDARY STUDENTS

Instructional programs ***for secondary education students*** attending an institution of higher education that offers college instruction. If the LEA has the responsibility of providing this program, all costs of the program should be coded here. **Include here costs for students taking postsecondary courses through a dual enrollment program. Higher education programs for adults including community college sponsorship for adults should be coded to function 1600.**

1800 PRE-KINDERGARTEN

Activities designed to provide Pre-K students with learning experiences to prepare them for activities as citizens, family members, and non-vocational workers as contrasted with programs designed to improve or overcome physical, mental, social and / or emotional handicaps. **Contact the Department of Education regarding specific programs to be included in this function. Early Intervention costs should be coded to Function 1280.**

1801* Instruction

Include in this function costs for salaries and benefits for regular staff, substitute teachers, and teaching support staff as well as tuition and contracted service payments for Pre-K instruction. Include the cost of Pre-K field trips to this function.

1802* Pre-K Administrative Support

Include in this function costs for admin salaries/benefits, admin equipment, admin travel, contracted admin services.

1803* Pre-K Operations and Maintenance

Include in this function the costs for repairs and maintenance, space related costs, utilities, one-time startup costs.

1804* Pre-K Student Transportation

Include in this function the costs for transporting Pre-K students. Include the costs of bus drivers here.

1805* Pre-K Food Services

Include the costs of meals, snacks, and cafeteria staff to this function.

1806* Pre-K Professional Development

Include the costs of professional development and PD related travel to this function.

1807* Pre-K Pass Through Funds

Include all Pre-K pass thru payments. To be used only with object 899. Payments to Pre-K partners for goods/services should be coded to the appropriate 180X code above.

2000 SUPPORT SERVICES

Support Services are those services that provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction. Support Services exist as adjuncts for the fulfillment of the objectives of instruction, community services, and enterprise programs, rather than as entities within themselves. (Record expenditures to the following sub-accounts.)

2100 SUPPORT SERVICES – STUDENTS

Activities designed to assess and improve the well-being of students to supplement the teaching process and to meet the applicable provisions of Article XIII of the Public School Code of 1949, as amended, and Chapter 7 of the State Board of Education Regulations. Included in this sub-function are program coordination, consultation, and services to the pupil personnel staff of an LEA. (Record expenditures to the following sub-accounts.)

2110 SUPERVISION OF STUDENT SERVICES

Activities associated with directing, managing, and supervising student services. (Record expenditures to the following sub-accounts.)

2111 * Supervision of Student Services – Head of Component

Activities associated with the director or head of Student Services, as well as, any immediate clerical staff. Include here head of component and immediate clerical staff salaries, benefits, and associated other costs.

2119 * Supervision of Student Services – All Other Supervision

Other activities associated with directing, managing, and supervising student services.

2120 * GUIDANCE SERVICES

Activities involving counseling with students and parents, providing consultation with other staff members on learning problems, evaluating the abilities of students, assisting students as they make their own educational and career plans and choices, assisting students in personal and social development, providing referral assistance, and working with other staff members in planning and conducting guidance programs for students.

2121 Supervision of Guidance Services

Activities associated with directing, managing, and supervising guidance services.

2122 Counseling Services

Activities involving counselors, students, parents, and other staff members, all for the purpose of assisting the student to understand their educational, personal, and occupational strengths, and limitations; relate his / her abilities, emotions, and aptitude to educational and career opportunities, utilize his / her abilities in formulating realistic plans; and achieve satisfying personal and social development.

2123 Appraisal Services

Activities aiding in assessing student characteristics, which are used in administration, instruction, and guidance; which assist the student in assessing his / her purpose and progress in career development and personality development. Test records and materials used for student appraisal are usually included in each student's cumulative record.

2124 Information Services

Activities organized for the dissemination of educational, occupational, and personal social information to help acquaint students with the curriculum and with educational and vocational opportunities and requirements. Such information is provided directly to students through activities such as group or individual guidance, or indirectly to students through staff members or parents.

2125 Record Maintenance Services

Activities organized for the compilation, maintenance, and interpretation of cumulative records of individual students, including systematic consideration of factors such as the following: home and family background, physical and medical status, standardized test results, personal and social development, and school performance.

2126 Placement Services

Activities organized to help place students in appropriate educational situations while they are in school, in appropriate part-time employment while they are in school, and in appropriate educational and occupational situations after they leave school. These activities also help facilitate the student's transition from one educational experience to another. This may include, for example, admissions counseling, referral services, assistance with records, follow-up communications with employers, and AP exam costs (AP exam costs should be recorded to object 890).

2129 Other Guidance Services

Guidance services not classified elsewhere in the 2120 series of functions.

2130 * ATTENDANCE SERVICES

Activities such as prompt identification of patterns of nonattendance, promotion of improved attitudes toward attendance, analysis of causes of nonattendance, early action on problems of nonattendance, and enforcement of compulsory attendance laws.

2140 * PSYCHOLOGICAL SERVICES

Activities concerned with administering psychological tests and interpreting the results, gathering and interpreting information about student behavior, working with other staff members in planning school programs to meet the special needs of students as indicated by psychological tests, behavioral evaluation, and planning and managing a program of psychological services including psychological counseling for students, staff, and parents. (Expenditures may be charged to the following sub-accounts.)

2141 Supervision of Psychological Services

Directing, managing, and supervising the activities associated with psychological services.

2142 Psychological Testing Services

Activities concerned with administering psychological tests, standardized tests, and inventory assessments of ability, aptitude, achievement, interests, and personality and their interpretation for students, school personnel, and parents.

2143 Psychological Counseling Services

Activities that take place between a school psychologist or other mental health professional and one or more students in which the students are helped to perceive, clarify, solve, and resolve problems of adjustment and interpersonal relationships.

2144 Psychotherapy Services

Activities that provide a therapeutic relationship between a qualified mental health professional and one or more students, in which the students are helped to perceive, clarify, solve, and resolve emotional problems or disorders.

2149 Other Psychological Services

Other activities associated with psychological services not classified elsewhere in the 2140 series of functions.

2150 * SPEECH PATHOLOGY AND AUDIOLOGY SERVICES

Activities which have as their purpose the identification, assessment and treatment of children with impairments in speech, hearing, and language.

2151 Supervision of Speech Pathology and Audiology Services

Activities associated with directing, managing and supervising speech pathology and audiology services.

2152 Speech Pathology Services

Activities organized for the identification of children with speech and language disorders; diagnosis and appraisal of specific speech and language disorders; referral for medical or other professional attention necessary to the habilitation of speech and language disorders; provisions of required speech habilitation services and counseling and guidance of children, parents and teachers as appropriate.

2153 Audiology Services

Activities organized for the identification of children with hearing loss: determination of the range, nature and degree of hearing function; referral for medical or other professional attention as appropriate to the habilitation of hearing; language habilitation; auditory training, speech reading (lip reading), and speech conversation as necessary; creation and administration of programs of hearing conservation; and counseling and guidance of children, parents, and teachers as appropriate.

2159 Other Speech Pathology and Audiology Services

Other activities associated with speech pathology and audiology services not classified elsewhere in the 2150 series of functions.

2160 * SOCIAL WORK SERVICES

Activities such as investigating and diagnosing student problems arising out of the home, school or community; casework and group work services for the child, parent, or both; interpreting the problems of students for other staff members; and promoting modification of the circumstances surrounding the individual student which are related to his / her problems insofar as the resources of the family, school and community can be brought to bear effectively upon the problem. For example, certain aspects of an Instructional Support Team (IST).

2170 * STUDENT ACCOUNTING SERVICES

Activities of acquiring and maintaining records of school attendance, location of home, family characteristics, and census data. Portions of these records become a part of the cumulative record, which is sorted and stored for teacher and guidance information. Pertinent statistical reports are prepared under this function as well. Include PIMS Coordinator costs within this function.

2190 * OTHER STUDENT SERVICES

Other activities associated with student services not classified elsewhere in the 2100 series of functions.

2200 SUPPORT SERVICES – INSTRUCTIONAL STAFF

Activities associated with assisting, supporting, advising, and directing the instructional staff with or on the content and process of providing learning experiences for students.

(Expenditures for school library services are recorded to 2250.) (Record expenditures to the following sub-accounts.)

2210 SUPERVISION OF EDUCATIONAL MEDIA SERVICES

Activities concerned with directing, managing, and supervising educational media services. (Record expenditures to the following sub-accounts.)

2211* Supervision of Educational Media Services – Head of Component

Activities associated with the director or head of Educational Media Services as well as any immediate clerical staff. Include here head of component and immediate clerical staff salaries, benefits, and associated other costs.

2219* Supervision of Educational Media Services – All Other Supervision

Other activities associated with directing, managing, and supervising educational media services.

2220 * TECHNOLOGY SUPPORT SERVICES

Activities concerned with selecting, preparing, maintaining, and distributing instructional program materials to the instructional staff. Included are activities in the information technology areas such as: educational telecommunication services used for classroom instructional materials, hardware, and software costs associated with developing educational programs and related costs associated with various electronic media used to develop the curriculum.

2230 * EDUCATIONAL TELEVISION SERVICES

Activities concerned with planning, programming, writing, and presenting educational programs or segments of programs by way of closed circuit or broadcast television.

2240 * COMPUTER-ASSISTED INSTRUCTION SUPPORT SERVICES

Activities concerned with planning, programming, writing, and presenting educational projects specifically programmed for a computer or other technology. DO NOT record direct, classroom instructional costs here. These instructional costs should be recorded to the appropriate service area account in the 1000 – Instruction functional area.

2250 * SCHOOL LIBRARY SERVICES

Activities such as selecting, acquiring, cataloging, and circulating books and other printed materials; planning the use of the library by students, teachers, and other members of the instructional staff; and guiding individuals in their use of library books and materials; whether maintained separately or as part of an instructional materials center or related work-study area. Textbooks generally will not be charged to this function but rather to the applicable service area within the instruction function.

2260 * INSTRUCTION AND CURRICULUM DEVELOPMENT SERVICES

Activities designed to provide specialized curriculum assistance to teachers and / or LEAs in developing the curriculum, preparing, and utilizing special curriculum materials, and understanding and appreciating the various techniques that stimulate and motivate students. **Include Director of Special Education expenditures here.**

2270 * INSTRUCTIONAL STAFF PROFESSIONAL DEVELOPMENT SERVICES

2271 Instructional Staff Development Services (Certified Staff Only)

Costs associated with the professional development and training of the certified instructional staff. This includes activities such as tuition reimbursement (object 240), conference fees, workshop registration fees, consultant/contracted service fees, curriculum development seminar costs, teacher induction program costs, mentor stipends, and applicable travel and subsistence costs. The costs associated with providing substitute staff (while the regular staff attends training) should also be captured in this function including wages, benefits and/or contracted substitute fees. Work Study Sabbatical leave expenditures may also be recorded to this service area.

Note: The certified staff's salaries and benefits would continue to be recorded to the appropriate instructional function for that staff member. However, if certified staff members are paid additional compensation for attending professional development programs (i.e. during the summer or on a holiday) record such incremental costs here

2272 Instructional Staff Development Services (Non-Certified Staff Only)

Costs associated with the professional development and training of the non-certified instructional staff. This includes activities such as tuition reimbursement (object 240), conference fees, workshop registration fees, consultant/contracted service fees, curriculum development seminar costs, teacher induction program costs, mentor stipends, and applicable travel and subsistence costs. The costs associated with providing substitute staff (while the regular staff attends training) should also be captured in this function including wages, benefits and/or contracted service fees.

Note: The non-certified staff's salaries and benefits would continue to be recorded to the appropriate instructional function for that staff member. However, if non-certified staff members are paid additional compensation for attending professional development programs (i.e. during the summer or on a holiday) record such incremental costs here

2280 * NONPUBLIC SUPPORT SERVICES

Activities associated with assisting, supporting, advising, and directing the nonpublic school staff with, or on the content and process of providing learning tools and experiences for nonpublic students.

2290 * OTHER INSTRUCTIONAL STAFF SERVICES

Supporting services to the instructional staff not properly classified elsewhere in the 2200 series of functions. **Include recess and lunch monitor, and volunteer clearance expenditures here.**

2300 SUPPORT SERVICES – ADMINISTRATION

Activities concerned with establishing and administering policy in connection with operating the LEA. (Record expenditures to the following sub-accounts)

2310 * BOARD SERVICES

Those activities required to perform the duties of the Secretary / Clerk of the Board of Education and all members, excluding activities related to board Treasurer responsibilities. **Include in this function lawsuit settlements, claims, judgements and penalties using object 820.**

2320 * BOARD TREASURER SERVICES

Those activities required to perform the duties of Treasurer of the Board of Education.

2330 * TAX ASSESSMENT AND COLLECTION SERVICES

Services rendered in connection with tax assessment and collection. **Include here Act 32 of 2008 startup costs.**

2340 * STAFF RELATIONS AND NEGOTIATIONS SERVICES

Those activities concerned with staff relations system wide and the responsibilities for contractual negotiations with both instructional and non-instructional personnel.

2350 * LEGAL AND ACCOUNTING SERVICES

Legal and accounting services provided to the LEA by law firms, attorneys, it's solicitor and the local auditing firm.

2360 * OFFICE OF THE SUPERINTENDENT, EXEC DIRECTOR & CAO/CEO SERVICES

The activities performed by the superintendent, executive director, chief administrative officer, and such assistants as deputy, associate and assistant superintendents, and executive directors, in general direction and management of the affairs of the LEA. This includes all personnel and materials in the Office of the Chief Executive/Administrative Officer. Activities of the Office of the Deputy Superintendents should be charged here unless the activities can be placed properly into a service area. Management contracts must be reviewed to determine the portion of the contract fee attributable to duties associated with this office.

2370 * COMMUNITY RELATIONS SERVICES

The activities and programs developed and operated system wide for the betterment of school / community relations.

2380 * OFFICE OF THE PRINCIPAL SERVICES

Those activities concerned with directing and managing the operation of a particular school. It includes the activities performed by the principal, assistant principals, and other assistants in general supervision of all operations of the school, evaluation of the staff members of the school, assignment of duties of staff members, supervision, and maintenance of the records of the school, and coordination of school instructional activities with instructional activities of the LEA. It includes clerical staff for these activities. Management contracts must be reviewed to determine the portion of the contract fee attributable to duties associated with this office.

2390 * OTHER ADMINISTRATION SERVICES

Other administrative services which cannot be classified elsewhere in the 2300 series of functions. **Record to this account bond issuance costs utilizing object 810, arbitrage rebates, and graduation expenditures.**

Note: Beginning with the 2014-15 FY and pursuant to GASB 65, Bond Issuance Costs, except any portion related to prepaid insurance costs, should be recognized as an expense in the period incurred.

2400 SUPPORT SERVICES – PUPIL HEALTH

Physical and mental health services, which are not direct instruction. Included are activities that provide students with appropriate medical, dental, and nurse services (Record expenditures to the following sub-accounts). **(Expenditures for nonpublic health services must be recorded to sub-account 2450.)**

2410 SUPERVISION OF HEALTH SERVICES

Activities associated with directing and managing health services. (Record expenditures to the following sub-accounts.)

2411* Supervision of Health Services – Head of Component

Activities associated with the director or head of Health Services as well as any immediate clerical staff. Include here head of component and immediate clerical staff salaries, benefits, and associated other costs.

2419 * Supervision of Health Services – All Other Supervision

Other activities associated with directing, managing, and supervising educational health services.

2420 * MEDICAL SERVICES

Activities concerned with the physical and mental health of students, such as: health appraisals, screenings for vision, communicable diseases, and hearing deficiencies; screening for psychiatric services, periodic health examinations; emergency injury and illness care; occupational therapists; physical therapists; and communications with parents and/or medical officials.

2430 * DENTAL SERVICES

Activities associated with dental screening, dental care, and orthodontic activities.

2440 * NURSING SERVICES

Activities associated with nursing such as health inspection, treatment of minor injuries, and referrals for other health services.

2450 * NONPUBLIC HEALTH SERVICES

Activities associated with health services, which are directly applied to nonpublic school pupils.

2490 * OTHER HEALTH SERVICES

Health services not classified elsewhere in the 2400 series of functions. **Include here costs associated with automated external defibrillators (AED).**

2500 SUPPORT SERVICES – BUSINESS

Activities concerned with paying, transporting, exchanging, and maintaining goods and services for the LEA. Included are the fiscal and internal services necessary for operating the LEA. (Record expenditures to the following sub-accounts)

2510 FISCAL SERVICES

Those activities concerned with the fiscal operations of the LEA. This function includes budgeting, receiving, and disbursing, financial and property accounting, payroll, inventory control, internal auditing, and funds management. (Record expenditures to the following sub-accounts.)

2511 * Supervision of Fiscal Services – Head of Component

Activities associated with the director or head of Fiscal Services as well as any immediate clerical staff. Include here head of component and immediate clerical staff salaries, benefits, and associated other costs.

2512 * Budgeting Services

Activities concerned with supervising budget planning, formulation, control, and analysis.

2513 * Receiving and Disbursing Funds Services

Those activities concerned with taking in money and paying it out. It includes the current audit of receipts, the pre-audit of requisitions or purchase orders to determine whether the amounts are within the budgetary allowances and to determine that such disbursements are lawful expenditures of the school or an LEA, and the management of school funds.

2514 * Payroll Services

Those activities concerned with making periodic payments to individuals entitled to remuneration for services rendered. Payments are also made for such payroll-associated costs as Federal Income Tax withholding, retirement, and social security.

2515 * Financial Accounting Services

Those activities concerned with maintaining records of the financial operations and transactions of the school system. It includes such activities as accounting and interpreting financial transactions and account records.

2516 * Internal Auditing Services

Those activities concerned with verifying the account records, which include evaluating the adequacy of the internal control system, verifying, and safeguarding assets, reviewing the reliability of the accounting and reporting systems and ascertaining compliance with established policies and procedures.

2517 * Property Accounting Services

Those activities concerned with preparing and maintaining current inventory records of land, buildings, and movable equipment. These records are to be used in equipment control and facilities planning.

2519 * Other Fiscal Services

Fiscal services not classified elsewhere in the 2510 series of functions. Include here interest payments and fees associated with short term borrowing, and costs for letters of credit. Note: Short term borrowing - principal payments are not recorded as expenditures, but should be coded as a reduction of the initial liability.

2520 * PURCHASING SERVICES

The activities of purchasing supplies, furniture, equipment, and materials used in school and school system operations.

2530 * WAREHOUSING AND DISTRIBUTING SERVICES

The activities of receiving, storing, and distributing supplies, furniture, equipment, materials, and mail. It includes the pickup and transporting of cash from school facilities to the central administration office, or bank, for control and / or deposit.

2540 * PRINTING, PUBLISHING AND DUPLICATING SERVICES

The activities of printing and publishing administrative publications such as annual reports, school directories, and manuals. It also includes centralized services for duplicating school materials and instruments such as bulletins, newsletters, and notices.

2590 * OTHER SUPPORT SERVICES – BUSINESS

Other support services to business not classified elsewhere in the 2500 series of functions. **Include here costs associated with actuarial studies within object 300.**

2600 OPERATION AND MAINTENANCE OF PLANT SERVICES

The activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition and state of repair.

Expenditures posted here include the purchase of original or replacement equipment used to maintain buildings and grounds, as well as routine (ordinary and necessary) costs incurred to maintain safety and operational efficiency of buildings and grounds. Also included are costs of building rental within object 400. (Extraordinary and non-routine costs incurred for repair or improvements to buildings and grounds should not be recorded here but should be charged to the 4000 function series.)

2610 SUPERVISION OF OPERATION AND MAINTENANCE OF PLANT SERVICES

The activities of directing, managing, and supervising the operation and maintenance of school plant facilities. (Record expenditures to the following sub-accounts.)

2611* Supervision of Operation and Maintenance of Plant Services – Head of Component

Activities associated with the director or head of Operation and Plant Maintenance Services as well as any immediate clerical staff. Include here head of component and immediate clerical staff salaries, benefits, and associated other costs.

2619 * Supervision of Operation and Maintenance of Plant Services – All Other Supervision

Other activities associated with directing, managing, and supervising the operation and maintenance of school plant facilities.

2620 * OPERATION OF BUILDINGS SERVICES

Those activities concerned with keeping the physical plant clean and ready for daily use. It includes operating the heating, lighting, and ventilating systems, and repair and Replacement of facilities and equipment. Also, included are costs of building rental and property insurance.

2630 * CARE AND UPKEEP OF GROUNDS SERVICES

The activities of maintaining land and its improvements other than buildings. It includes snow removal, landscaping, grounds, and roadway maintenance.

2640 * CARE AND UPKEEP OF EQUIPMENT SERVICES

The activities of maintaining, in good condition, equipment owned or used by the LEA. It includes such activities as servicing and repairing furniture, machines, and movable equipment.

2650 * VEHICLE OPERATION AND MAINTENANCE SERVICES (OTHER THAN STUDENT TRANSPORTATION VEHICLES)

The activities of maintaining general purpose vehicles such as trucks, tractors, graders, and staff vehicles in good condition. It includes such activities as repairing vehicles, replacing vehicle parts, cleaning, painting, greasing, fueling, and inspecting vehicles for safety, i.e., preventative maintenance. Expenditures for student transportation are recorded in account code 2700.

2660 * SAFETY AND SECURITY SERVICES

Those activities concerned with maintaining order and safety in school buildings at all times, on the grounds and in the vicinity of the school. Included are police activities for school functions, traffic control on grounds (including parking space monitoring), hall monitoring services, and safety kits to be used either off site or on site for emergencies. **Code School Resource Officer costs to this function.**

2690 * OTHER OPERATION AND MAINTENANCE OF PLANT SERVICES

Operations and maintenance of plant services that cannot be classified elsewhere in the 2600 series of functions.

2700 STUDENT TRANSPORTATION SERVICES

Expenditures include those activities concerned with the conveyance of students to and from school, as provided by State and Federal law. It includes transportation costs only for trips between home and school and from school to school. **Record transportation costs for educational field trips and student activities to the applicable instructional or student activity function area.** Ensure that nonpublic transportation costs are identified and reported in sub-function 2750. (Record expenditures to the following sub-accounts)

2710 SUPERVISION OF STUDENT TRANSPORTATION SERVICES

Those activities pertaining to directing and managing student transportation services. (Record expenditures to the following sub-accounts.)

2711 * Supervision of Student Transportation Services – Head of Component

Activities associated with the director or head of Student Transportation Services as well as any immediate clerical staff. Include here head of component and immediate clerical staff salaries, benefits, and associated other costs.

2719 * Supervision of Student Transportation Services – All Other Supervision

Other activities associated with directing, managing, and supervising Student Transportation Services.

2720 * VEHICLE OPERATION SERVICES

Those activities involved in operating vehicles for student transportation from the time the vehicles leave the point of storage until they return to the point of storage. It includes operating buses or other student transportation vehicles. This account includes costs related to both district and contracted carrier services.

2730 * MONITORING SERVICES

Those activities concerned with supervising students in the process of being transported between home and school and between school and school activities. These activities include supervision while in transit; while being loaded and unloaded; and directing traffic at the loading stations.

2740 * VEHICLE SERVICING AND MAINTENANCE SERVICES

Those activities involved in maintaining in good condition student transportation vehicles (other than driver education vehicles, which are covered under subfunction 1410). It includes repairing vehicle parts, replacing vehicle parts, cleaning, painting, fueling, and inspecting vehicles for safety.

2750 * NONPUBLIC TRANSPORTATION

The transportation of nonpublic students to and from school as provided by State and Federal law. It includes trips between home and school and trips to school activities. LEAs must either track the actual costs for nonpublic transportation, or determine a method of allocating a portion of the total transportation costs applicable to nonpublic transportation. The nonpublic transportation reporting is required regardless if the transportation is provided by the LEA or through a contracted carrier..

2790 * OTHER STUDENT TRANSPORTATION SERVICES

Student transportation services are not classified elsewhere in the 2700 series of functions.

2800 SUPPORT SERVICES – CENTRAL

Activities, other than general administration, which support each of the other instructional and supporting services program. These activities include planning, research, development, evaluation, information, staff, and data processing services. (Record expenditures to the following sub-accounts)

2810 * PLANNING, RESEARCH, DEVELOPMENT AND EVALUATION SERVICES

Those activities, on a system-wide basis, associated with conducting and managing programs of planning, research development, and evaluation for a school system.

2811 Supervision of Planning, Research, Development and Evaluation Services

Those activities associated with directing, managing, and supervising the planning, research, development, and evaluation.

2812 Development Services

Those activities concerned with the evolving process of utilizing the products of research and considered judgment in the deliberate improvement of educational programs.

2813 Evaluation Services

Those activities concerned with ascertaining or judging the value or amount of an action or an outcome by careful appraisal of previously specified data in light of the particular situation and the goals and objectives previously established.

2814 Planning Services

Those activities concerned with the selection or identification of the overall, long-range goals, priorities, and objectives of the organization or program. Record here also the formulation of various courses of action in terms of identification of needs and relative costs and benefits to use in deciding on courses of action to be followed in striving to achieve these goals, priorities, and objectives.

2815 Research Services

Those activities concerned with the systematic study and investigation of the various aspects of education, undertaken to establish facts and principles.

2818 System-Wide Technology Services

Those activities concerned with coordinating, planning, researching, developing, and evaluating the LEA's technology functions. Record to this function category the costs associated with the LEA's Technology Coordinator and immediate staff assigned to coordinating, planning, researching, developing, and evaluating the LEA's technology functions.

2819 Other Planning, Research, Development and Evaluation Services

Other services of this nature that cannot be classified elsewhere in the 2810 series of functions.

2820 INFORMATION SERVICES

Those activities concerned with writing, editing, and other preparation necessary to disseminate educational and administrative information to students, staff, managers, and the general public. (Record expenditures to the following sub-accounts)

2821 * Supervision of Information Services – Head of Component

The activities associated with the director or head of Information Services. Include here head of component and immediate clerical staff salaries, benefits, and associated other costs.

2822 * Internal Information Services

Those activities concerned with writing, editing, and providing administrative information to students and staff.

2823 * Public Information Services

Those activities concerned with writing, editing, and other preparation necessary to disseminate educational and administrative information to the public through various news media, personal contact or the Internet.

2824 * Management Information Services

Those activities concerned with writing, editing, and other preparation necessary to disseminate to management (1) the information needed about the operation of the LEA and (2) information about the community, State, and nation to make logical decisions.

2829 * Other Information Services

Those activities concerned with information services not classified elsewhere in the 2820 series of functions.

2830 STAFF SERVICES

Activities concerned with maintaining an efficient staff for the school system. It includes such activities as recruiting and placement, staff transfers, in-service training, health services, and staff accounting. (Record expenditures to the following sub-accounts)

2831 * Supervision of Staff Services – Head of Component

Activities associated with the director or head of Staff Services (Human Resources) as well as any immediate clerical staff. Include here head of component and immediate clerical staff salaries, benefits, and associated other costs.

2832 * Recruitment and Placement Services

Those activities concerned with employing and assigning personnel for the LEA. **Include here substitute emergency permit fees and staff clearance fees.**

2833 * Staff Accounting Services

Services rendered in connection with systematic recording and summarizing of information relating to staff members employed by the LEA.

2834 * Staff Development Services - Non-Instructional, Certified Staff Only

Costs associated with the staff development and training of the non-instructional, certified staff. This includes activities such as tuition reimbursement (object 240), conference fees, workshop registration fees, consultant/contracted service fees, seminar costs, and applicable travel and subsistence costs. The costs associated with providing temporary staff (while the regular staff attends training) should also be captured in this function including wages, benefits and/or contracted service fees.

Note: The staff's salaries and benefits would continue to be recorded to the appropriate function for that staff member. However, if the staff members are paid additional compensation for attending professional development programs during untraditional time, record such incremental costs here

2835 * Health Services

Those activities concerned with medical, dental, and nurse services provided for school district employees. Included are physical examinations, referrals and emergency care.

2836 * Staff Development Services - Non-Instructional, Non-Certified Staff Only

Costs associated with the staff development and training of the non-instructional, non-certified staff. This includes activities such as tuition reimbursement (object 240), conference fees, workshop registration fees, consultant/contracted service fees, seminar costs, and applicable travel and subsistence costs. The costs associated with providing temporary staff (while the regular staff attends training) should also be captured in this function including wages, benefits and/or contracted service fees.

Note: The staff's salaries and benefits would continue to be recorded to the appropriate function for that staff member. However, if the staff members are paid additional compensation for attending professional development programs during untraditional time, record such incremental costs here

2839 * Other Staff Services

Those staff services that cannot be classified elsewhere in the 2830 series of functions.

2840 * DATA PROCESSING SERVICES

Those activities concerned with preparing data for storage, storing data, and retrieving them for reproduction as information for management and reporting.

2841 Supervision of Data Processing Services

Those activities concerned with directing, managing, and supervising data processing services.

2842 Systems Analysis Services

Those activities concerned with the search for and evaluation of alternatives, which are relevant to defined objectives, based on judgment, and wherever possible, on quantitative methods. Where applicable, they pertain to the development of data processing procedures or application to electronic data processing equipment.

2843 Programming Services

Those activities concerned with the preparation of a logical sequence of operations to be performed, either manually or electronically, in solving problems or processing data and the preparation of coded instructions and data for such sequences.

2844 Operations Services

Those activities concerned with scheduling, maintaining, and producing data. These activities include operating business machines, data preparation devices, and data processing machines.

2849 Other Data Processing Services

Those activities concerned with data processing, which cannot be classified elsewhere in the 2840 series of functions.

2850 * STATE AND FEDERAL AGENCY LIAISON SERVICES

Those activities associated with acquiring, conducting, and managing programs or planning, administration, implementation, coordination, reporting, and / or evaluation of programs and projects, which are Federal or State funded. **Include costs for Grant Writers in this category.**

2860 * MANAGEMENT SERVICES

Those activities designed to assist school administrators in their administrative functions in order that they might accomplish these duties quickly and efficiently. This may include specialized assistance in such areas as data processing, accounting, and dissemination and retrieval of information.

2890 * OTHER SUPPORT SERVICES CENTRAL

Those support services central not included elsewhere in the 2800 series of accounts.

2900 OTHER SUPPORT SERVICES

All other support services not classified elsewhere in the 2000 series. (Record expenditures to the following sub-accounts)

2910 * SUPPORT SERVICES NOT LISTED ELSEWHERE IN THE 2000 SERIES

Include IU general operating support payments, and property tax payments in this category.

2990 * PASS-THRU FUNDS

A grantee / subgrantee (receiving entity), such as an IU, SD, AVTS or a consortium should use this service area account to record expenditures for pass-thru funds that they will pass on to a secondary recipient. Intermediate Units should also use this function to record PRRI money they receive and pass to a PRRI. This function is only used with object 899.

3000 OPERATION OF NON-INSTRUCTIONAL SERVICES

Activities concerned with providing non-instructional services to students, staff or the community. (Record expenditures to the following sub-accounts.)

3100 * FOOD SERVICES

Those activities concerned with providing food to students and staff in a school or LEA. This service area includes the preparation and serving of regular and incidental meals, lunches or snacks in connection with school activities and the delivery of food. LEAs that

charge students/staff for meals/snacks, whether utilizing school staff or a contracted service, must account for the food service activities in an Enterprise Fund (Fund #51) rather than in the General Fund. (Cash transfers to Fund #51 are charged to Account 5250, Food Service Fund Transfers, i.e., contributions toward the payment of benefits in the Food Service Fund is a Fund Transfer.)

3200 * STUDENT ACTIVITIES

School sponsored activities under the guidance and supervision of the LEA staff. (Expenditures may be charged to this account but if a further breakout is desired, the following sub-accounts may be used.)

3210 SCHOOL SPONSORED STUDENT ACTIVITIES

School sponsored activities, under the guidance and supervision of LEA staff, designed to provide students such experiences as motivation, enjoyment, and improvement of skills. Co-curricular activities normally supplement the regular instructional program and include such activities as band, chorus, choir, speech, debate, and peer counseling. Also included are student financed and managed activities, such as: Class of 20xx, Chess Club, Senior Prom, and Future Farmers of America. If desired, the various activities may be broken out in the accounts from 3211 to 3249 according to the number of activities.

3250 SCHOOL SPONSORED ATHLETICS

School sponsored activities under the guidance and supervision of LEA staff, designed to provide opportunities to students to pursue various aspects of physical education.

3300 * COMMUNITY SERVICES

Those activities concerned with providing community services to students, staff or other community participants. Examples of this function would be the operation of a community swimming pool, a recreation program for the elderly, a child-care center for working mothers, etc.

3310 COMMUNITY RECREATION

Activities concerned with providing recreation for the community as a whole, or for some segment of the community. Included are such staff activities as organizing and supervising playgrounds, swimming pools, and other recreation programs for the community.

3320 CIVIC SERVICES

Activities concerned with providing services to civic affairs or organizations. This program area includes services to parent-teacher association meetings, public forums, lectures, and civil defense planning.

3330 PUBLIC LIBRARY SERVICES

Activities pertaining to the operation of public libraries by an LEA, or the provision of library services to the general public through the school library. Included are such activities as budgeting, planning, and augmenting the library's collection in relation to the community and informing the community of public library resources and services.

3340 CUSTODY AND CHILD CARE

Activities pertaining to the provision of programs for the custodial care of children in residential day schools, or child-care centers which are not part of, or directly related to

the instructional program, and where the attendance of the children is not included in the attendance figures of the LEA.

3350 WELFARE ACTIVITIES

Activities pertaining to the provision of personal needs of individuals who have been designated as needy by an appropriate governmental entity. These needs include stipends for school attendance, salaries paid to students for work performed whether for the LEA or for an outside concern, and for clothing, food or other personal needs.

3390 OTHER COMMUNITY SERVICES

Activities provided the community that cannot be classified elsewhere under the 3300 series of functions.

3400 * SCHOLARSHIPS AND AWARDS

Record here the amounts associated with awards or scholarships not accounted for in any other area, e.g. Board Services.

4000 FACILITIES ACQUISITION, CONSTRUCTION, AND IMPROVEMENT SERVICES

Capital Facilities Acquisition, Construction, and Improvements are capital expenditures incurred to purchase land, buildings, service systems, and built-in equipment. Expenditures include the initial purchase of land and buildings; construction; remodeling, additions, and improvements to buildings; initial installation, replacement or extension of service systems; and other built-in equipment, as well as improvement to sites, and activities related to all of the above.

Capital expenditures relate to costs benefiting more than one fiscal year and include all costs incurred to (1) bring the asset to a state of usefulness or (2) extend the useful life of an existing asset. All incidental costs associated with a fixed asset such as: sales tax, freight, insurance on freight, transfer fees, demolition costs, grading, and installation, as well as legal, contracted service fees, and engineering fees associated with a capital expenditure should be included in the cost of the asset and recorded to the following subfunctions.

4100 * SITE ACQUISITION SERVICES – ORIGINAL AND ADDITIONAL

Record to this subfunction the costs incurred to purchase land and make initial improvements to new land acquisitions. Expenditures to be recorded here include: purchase price of the land, settlement costs, transfer fees, demolition, grading, survey, paving, sealing, lighting, and all other professional fees associated with the purchase.

4200 * EXISTING SITE IMPROVEMENT SERVICES

Record to this subfunction the costs incurred to improve existing land and land improvements. Expenditures in this subfunction include non-routine and extraordinary costs incurred to improve or maintain existing sites.

4300 * ARCHITECTURE AND ENGINEERING SERVICES / EDUCATIONAL SPECIFICATIONS DEVELOPMENT – ORIGINAL AND ADDITIONAL

The activities of architects and engineers related to acquiring and improving sites and improving buildings. Also, those activities concerned with preparing and interpreting to architects and engineers descriptions of space requirements for the various learning experiences of students to be accommodated in a building. Charges for these specifications are made to this account only for those preliminary activities in the early stages of blueprint development, which may or may not result in improvements to the LEA's property. Otherwise, charge these services to 4100 or 4500, as appropriate

4400 * ARCHITECTURE AND ENGINEERING SERVICES / EDUCATIONAL SPECIFICATIONS – IMPROVEMENTS

The activities of architects and engineers related to existing site improvement and existing building improvement services. Also, those activities concerned with preparing and interpreting to architects and engineers descriptions of the improvements services. Charges for these specifications are made to this account only for those preliminary activities in the early stages of blueprint development, which may or may not result in improvements to the LEA's property. Otherwise, charge these services to 4200 or 4600, as appropriate.

4500 * BUILDING ACQUISITION AND CONSTRUCTION SERVICES – ORIGINAL AND ADDITIONAL

Record here the costs incurred to purchase or construct buildings, additions to buildings, and original or additional installation or extension of service systems and built-in equipment.

4600 * EXISTING BUILDING IMPROVEMENT SERVICES

Record to this subfunction the capital expenditures incurred to renovate or improve existing buildings, service systems, and other built-in equipment. Capital expenditures include non-routine and extraordinary (or substantial) costs incurred to maintain or improve buildings, service systems, and other built-in equipment.

5000 OTHER EXPENDITURES AND FINANCING USES

This category includes current debt service expenditures and other expenses (expenditures and other financing uses). Other financing uses represent the disbursement of governmental funds not classified in other functional areas that require budgetary and accounting control. These include the refunding of debt and transfers of monies from one fund to another and to component units. Other expenditures recorded to this account series include refunds of prior period receipts and revenues, and current debt service expenditures. (Do not record transactions here, but use the following sub-accounts.)

5100 DEBT SERVICE / OTHER EXPENDITURES AND FINANCING USES

Servicing of the debt of the LEA including payments on general long-term debt, authority obligations and interest. (Record expenditures to the following sub-accounts.)

5110 * DEBT SERVICE

This account is used to record and accumulate expenditures incurred to retire current year principal and interest payments on long-term debt other than refunded bond issues. **Include swap termination fees in 5110-990.**

5120 * DEBT SERVICE – REFUNDED BONDS

This account is used only in the year of the issuance to record and accumulate costs representing payments to the escrow agent for refunded bond issues from resources provided by the new bond issue.

5130 * REFUND OF PRIOR YEAR REVENUES / RECEIPTS

Record to this account the recognition of all refunds of prior year revenues and receipts. This account is also used to record refunds and deductions taken from your State subsidies to adjust for prior year audits and subsidy calculation changes. This account should be reported as an expenditure on your financial statements consistent with GASB #33. Additional information regarding the coding of refunds can be found in Accounting Bulletin # 99-1.

~~5140 SHORT TERM BORROWING INTEREST AND COSTS - DELETED~~

Account previously used to record interest and fees on short term borrowings.
Beginning in 2015-16, these costs are to be recorded to expenditure function 2519.

5150* BOND DISCOUNTS

This account should be used to record discounts associated with general obligation debt.
Use only object 990 with this expenditure function.

5200 INTERFUND TRANSFERS - OUT

Included are transactions that withdraw money from one fund and place it in another without recourse. (Record expenditures to the following sub-accounts.)

Interfund loans are not recorded here, but are handled through the balance sheet accounts 0131 – Interfund Loans Receivable and 0401 – Interfund Loans Payable in the funds affected.

5210 * GENERAL FUND TRANSFERS

Fund transfers to the general fund: Fund 10. To be used with object 939.

5220 * SPECIAL REVENUE FUND TRANSFERS

Fund transfers to special revenue funds: Funds 23-29

Code transfers to special revenue funds 23-28 here using object 939.

Code transfers to athletic fund 29 here using object 933.

5230 * CAPITAL PROJECTS FUND TRANSFERS

Fund transfers to capital projects funds: Funds 31, 32 & 39.

Code transfers to capital reserve fund 31 here using object 931.

Code transfers to capital reserve fund 32 here using object 932.

5240 * DEBT SERVICE FUND TRANSFERS

Fund transfers to debt service funds: Fund 40. To be used with object 939.

5250 * ENTERPRISE FUND TRANSFERS

Fund transfers to enterprise funds: Funds 51-58. To be used with object 939.

5251 Food Service Fund Transfers

Fund transfers to the food service fund: Fund 51. To be used with object 939.

5259 Other Enterprise Fund Transfers

Fund transfers to other enterprise funds: Funds 52-58. To be used with object 939.

5260 * INTERNAL SERVICE FUND TRANSFERS

Fund transfers to internal service funds: Fund 60. To be used with object 939.

Payments to an Internal Service Fund for goods or services provided are not recorded here, but should be coded to the applicable expenditure function/object code.

5270 * TRUST AND AGENCY FUND TRANSFERS

Fund transfers to trust and agency funds: Funds 70 & 80 (except Fund 81). To be used with object 939. Do not include fund transfers to activity funds in this function.

5280 * ACTIVITY FUND TRANSFERS

Fund transfers to activity funds: Fund 81. To be used with object 939.

5290* PERMANENT FUND TRANSFERS

Fund transfers to permanent funds: Fund 90. To be used with object 939.

5300 TRANSFERS OUT TO COMPONENT UNITS / PRIMARY GOVERNMENTS

Record to these accounts transactions that transfer money between component units and primary governments. Please review the definitions of "Component Unit" and "Primary Government" contained in GASB Statement #14 before utilizing these account codes. **The Commonwealth of PA, other funds of the LEA and student activity groups do not meet the GASB definition of primary governments or component units of the LEA.** (Record expenditures to the following sub-accounts.)

5310 * TRANSFERS OUT TO COMPONENT UNITS

Transfer of money to a component unit from a primary government. Please review the definitions of "Component Unit" and "Primary Government" contained in GASB Statement #14 before utilizing these account codes. **The Commonwealth of PA, other funds of the LEA and student activity groups do not meet the GASB definition of primary governments or component units of the LEA.**

5320 * TRANSFERS OUT TO PRIMARY GOVERNMENTS

Transfer of money to the primary government from a component unit. Please review the definitions of "Component Unit" and "Primary Government" contained in GASB Statement #14 before utilizing these account codes. **The Commonwealth of PA, other funds of the LEA and student activity groups do not meet the GASB definition of primary governments or component units of the LEA.**

5400 INTRAFUND TRANSFERS OUT

Clearing Account – Transfers made from one program or activity to another within the same fund. This service area may be used with object 934 or 938 to record indirect cost or administrative charges transfers between programs / activities within the same fund. The actual expenditures that represent indirect costs are recorded in object codes 100, 200, etcetera in the appropriate expenditure function; such as, subfunction 2300 or 2500. When these actual expenditures are allocated, they are reported here in 5400 as a transfer out, NOT as expenditures to the program or activity. LEAs may also use this account to record other transfers between different program areas of their General Fund. This account is for your school's internal use throughout the year. All intrafund transactions must be eliminated as part of the year-end closing process, as these transactions are part of the same fund. With the exception of Intermediate Units, function 5400 will not be shown on your Annual Financial Report or CAFR. Intermediate Units will report intrafund transfers as part of the General Fund Program Detail reporting on the Annual Financial Report (PDE-2056). This account is used in conjunction with Other Financing Source 9800 Intrafund Transfers In. (Transfers are not recorded to this account but to the following sub-accounts.)

5410 GENERAL FUND INTRAFUND TRANSFERS

Transfers made from one program of the General Fund to another program of the General Fund. Intermediate Units will use object 939 for reporting on the AFR.

5420 SPECIAL REVENUE INTRAFUND TRANSFERS

Transfers made from one program of the Special Revenue Fund to another program of the Special Revenue Fund. PLEASE NOTE: Intermediate Units may not transfer funds between their various special education funds.

5430 CAPITAL PROJECTS INTRAFUND TRANSFERS

Transfers made from one program of the Capital Projects Fund to another program of the Capital Projects Fund. **NOTE: Monies may not be transferred out of a Capital Reserve Fund 31 or 32 into a Capital Projects Fund 39. This type of transfer is unallowable per the PA School Code and the Municipal Code.**

5440 DEBT SERVICE INTRAFUND TRANSFERS

Transfers made from one program of the Debt Service Fund to another program of the Debt Service Fund.

5450 ENTERPRISE INTRAFUND TRANSFERS

Transfers made from one program of the Enterprise Fund to another program of the Enterprise Fund.

5460 INTERNAL SERVICE INTRAFUND TRANSFERS

Transfers made from one program of the Internal Service Fund to another program of the Internal Service Fund.

5470 TRUST AND AGENCY INTRAFUND TRANSFERS

Transfers made from one program of the Trust and Agency Funds to another program of the Trust and Agency Funds. Activity fund intrafund transfers are recorded to function 5480.

5480 ACTIVITY INTRAFUND TRANSFERS

Transfers made from one program of the Activity Fund to another program of the Activity Fund.

5500 SPECIAL AND EXTRAORDINARY ITEMS

5520 * SPECIAL ITEMS – LOSSES

Losses or use of resources due to significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence. Note: Special items resulting in a gain should be coded to revenue code 9920

5530 * EXTRAORDINARY ITEMS – LOSSES

Losses or use of resources due to transactions or other events that are both unusual in nature and infrequent in occurrence. Note: Extraordinary items resulting in a gain should be coded to revenue code 9930

5800 SUSPENSE ACCOUNT

This account is used to record and accumulate costs for later allocation. This account is closed at the end of the fiscal period after the allocations are made to the appropriate functions to which the costs are applicable. This account is a suspense account only and is not a budgetary or expenditure account to be used for reporting to the Commonwealth of PA.

5900 BUDGETARY RESERVE

Budgetary Reserve is not an expenditure function or account. It is strictly a budgetary account. This account will not display on the Annual Financial Report.

In addition to the appropriations, it is a sound management practice to provide for operating contingencies through a BUDGETARY RESERVE. Experience indicates that there are certain variables over which control is impossible regardless of the care with which the budget is prepared. These variables include unpredictable changes in the costs of goods and services, and the occurrences of events which are vaguely perceptible during the time of budget preparations, but which nevertheless, may require expenditures by the LEA during the year for which the budget is being prepared.

Even though the operating contingencies for which provision is being made may contain certain unknowns, the BUDGETARY RESERVE should be composed of components for which estimates are made. For example, there may be Federal, State or local programs, which may or may not, require expenditures by the school system in the fiscal year for which the budget is being prepared.

Rather than provide for such contingencies by "padding" the functional appropriations, it is preferable to limit the functional appropriations to amounts that are supportable by estimates based upon financial, enrollment and other statistics as related to the more definite educational plans and programs for the budget year, and earmark a reserve for the less predictable requirements. The BUDGETARY RESERVE should be reasonable in amount and in proper proportion to the known operating requirements of the LEA.

Expenditures may not be made against the BUDGETARY RESERVE, but only against the line items, which appear throughout the functional appropriations. Whatever may be needed from the BUDGETARY RESERVE may not be used until after transfer from the Reserve to the line items against which the expenditures are to be charged. Each such transfer requires the prior authorization of the Board of School Directors, and may be made only during the last nine (9) months of the fiscal year.

To the extent that the contingencies for which the BUDGETARY RESERVE has been provided fail to materialize in the budget year, there will be a balance remaining in the BUDGETARY RESERVE at the close of the budget year. If covered by revenues realized during the budget year, as it should be in all school systems operating on a pay-as-you-go basis, such a balance becomes a part of the total resources available for application against the requirements of the next fiscal year.

Attachment C

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	Budget	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	<u>139,762,229</u>	<u>149,444,212</u>	<u>150,230,621</u>	<u>150,599,377</u>	<u>155,478,875</u>	<u>160,165,498</u>	<u>164,485,176</u>	<u>168,943,150</u>	<u>173,351,585</u>	<u>177,972,343</u>	<u>182,673,075</u>	<u>187,568,891</u>	<u>192,541,689</u>	<u>197,679,600</u>

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%

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.

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

	Actual 2015-2016	Actual 2016-2017	Budget 2017-2018	Projected 2017-2018	Projected 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>Projected 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	\$31,246,016
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)	(874,600)	(872,800)
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)	882,744	884,544
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	\$31,246,016	\$32,130,560

(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:

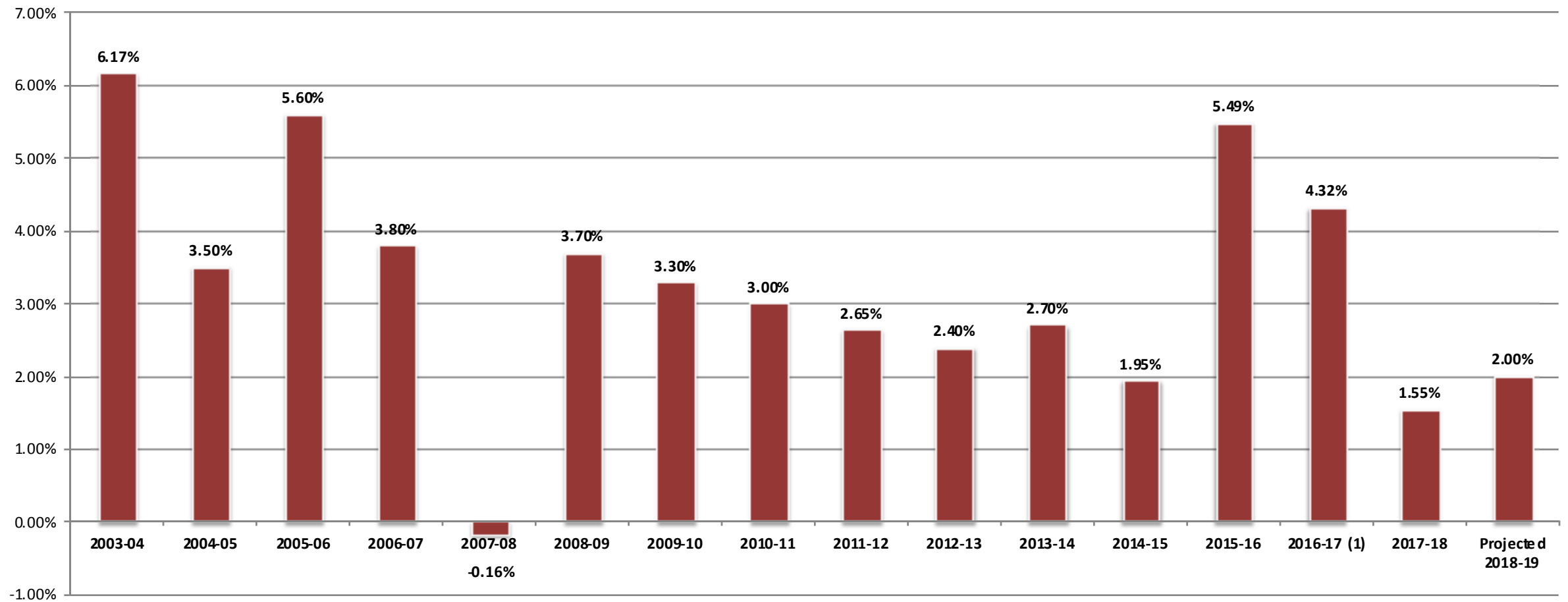
Debt service calculation from NW Financial.

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

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

Impact of Change in Tax Rate Increase			Actual 2015-2016	Actual 2016-2017	Budget 2017-2018	Projected 2017-2018	Projected 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
Assumed Tax Increase:																
0% in 2018-19; 2% thereafter	Annual						(1,994,796)	(2,059,885)	(2,126,251)	(2,193,913)	(2,265,261)	(2,338,007)	(2,412,173)	(2,490,237)	(2,572,311)	(2,653,484)
	Cumulative						(1,994,796)	(4,054,681)	(6,180,932)	(8,374,845)	(10,640,107)	(12,978,114)	(15,390,287)	(17,880,524)	(20,452,835)	(23,106,319)
1% increase per year	Annual						(998,032)	(2,049,188)	(3,157,785)	(4,323,100)	(5,551,433)	(6,842,159)	(8,197,002)	(9,622,629)	(11,121,013)	(12,691,661)
	Cumulative						(998,032)	(3,047,220)	(6,205,004)	(10,528,104)	(16,079,536)	(22,921,696)	(31,118,698)	(40,741,327)	(51,862,340)	(64,554,001)

Real Estate Increase



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

Average since 2006-2007 - 2.89%

5-Year Average increase excluding exceptions- 2.10%