



**STATE COLLEGE AREA SCHOOL DISTRICT  
ADMINISTRATIVE OFFICES**

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**STATE COLLEGE AREA SCHOOL DISTRICT  
2019-20 FINAL BUDGET SUMMARY**

**Budget Hearing Date: May 28, 2019, 7:00 p.m.**

**Budget Adoption Date: June 3, 2019, 7:00 p.m.**

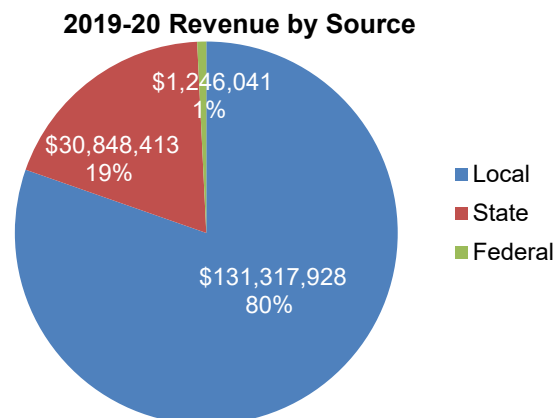
**Location: Panorama Village Building Board Room – Meeting Room A**

Education is an investment in the future that requires a partnership between schools and the entire community. The State College Area School District is committed to wise use of resources and delivery of quality educational programs.

The Board of School Directors allocates revenue and expenditures to support the educational programs as defined by the district's mission and goals articulated through the strategic plan, as well as financial and operating policies. The board must balance the educational needs of students with the ability and willingness of the community to provide the necessary financial support.

**Revenue Budget**

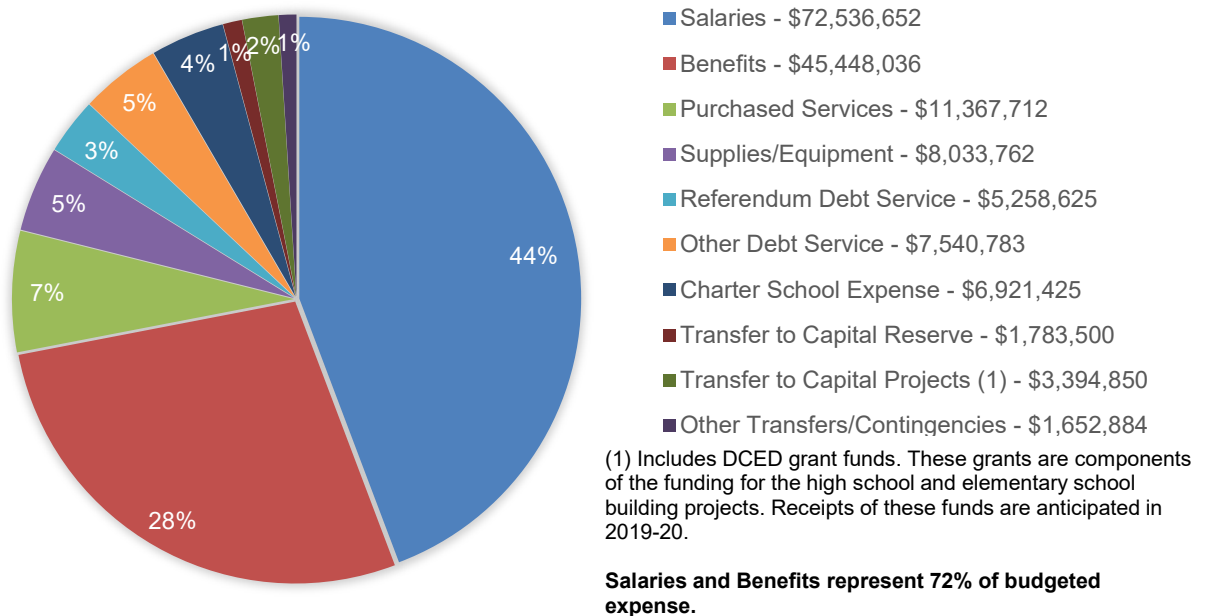
- The Proposed Final Budget for 2019-20 includes revenues in the amount of \$163,412,382, which represents a \$5,302,035 (3.4%) increase compared to the 2018-19 Budget.
- Budgeted local revenue is \$4,915,550 higher than the 2018-19 budget. Approximately \$3,700,000 of this increase is related to real estate taxes with approximately \$1,671,000 related to assumed assessed value growth and \$2,029,000 related to the tax increase. Earned income tax accounts for the majority of the remaining increase.
- The proposed increase in the real estate tax rate is 1.95%, or a .8815 mill increase, to 46.0875 mills of real estate tax.
- Total increased cost to the average homestead approved residential taxpayer is \$72 per year.
- The 1.95% millage increase is .35% less than the Act 1 index of 2.3%. This is the third lowest tax increase since 2006-07 when Act 1 Index was created.
- The district is primarily locally funded, with 80% of revenue from local sources. The majority (79%) of local revenue comes from real estate taxes. Real estate tax revenue is 64% of total district revenue.
- Budgeted state revenue is \$351,799 higher than the 2018-19 budget. Increases include changes in funding for education that were implemented in the 2017-18 state budget and increased reimbursement from the state for retirement (\$770,000) and social security (\$107,000). Grant funding decreased \$766,000 compared to 2018-19.



**Expense Budget**

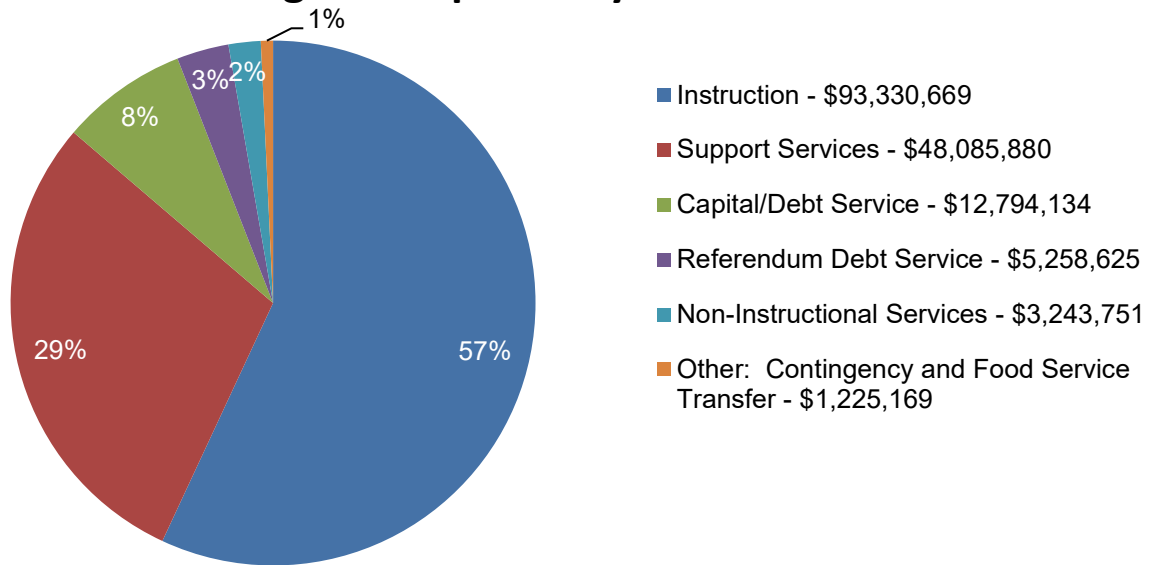
- The Proposed Final Budget for 2019-20 includes expenses in the amount of \$163,938,228, which represents a \$5,064,761 (3.2%) increase compared to the 2018-19 Budget.
- Salary and benefit expenses represent approximately 72% of the district's budget.
  - The budget includes the following additional resources over the prior year.
    - Special Education Teacher
    - Elementary Teachers
    - Psychologist services
    - Online Learning programming
    - Secondary Teacher
    - Elementary Instrumental Music Teacher
    - Gifted Support Teacher
    - Assistant Athletic Director position increased to permanent full-time; responsibilities to include solicitation of district advertising sponsorships projected to offset the cost of this position
    - Curriculum and assessment programming
    - Custodial and auditorium support staff positions
    - Marching band uniforms, fitness center equipment and grand piano (non-recurring)
  - Required contributions to the state retirement plan (PSERS) increased approximately \$1.5 million over the 2018-19 budget. This is related to an increase in salary expense and an increase in the percentage contribution rate from 33.43% to 34.29% of qualifying salaries.
- The districts required payment to charter schools represents 4.2% of the 2019-20 budget. Budgeted expense for 2019-20 is \$6,921,000.
- The budget contains an allocation of \$17,977,758 (11%) for debt service and capital expenses, showing a commitment to maintaining and upgrading the district facilities. This includes \$5,258,625 to fund debt service payments related to the State High Project borrowing approved through the referendum and \$1,169,676 for transfer of anticipated DCED grant revenue to the Capital Projects Fund to fund a portion of the high school and elementary construction projects.

**Expense By Object**



- The District is required to report expenses to PDE using defined functional groupings. Functions reported in the chart below include:
  - Instruction (57%) - Includes all activities dealing directly with the interaction between teachers and students and related costs, which can be directly attributed to a program of instruction. This does not include administrative instructional support costs. Payments to charter schools are also defined as instructional expense.
  - Support Services (29%) – Includes student support services (i.e. guidance, health, social work), instructional support (i.e. curriculum development, library), plant services, transportation, information technology and administrative support (i.e. principals, human resources, tax collection, legal, accounting).
  - Non-Instructional Services (2%) - Activities concerned with providing non-instructional services to students, staff or the community such as student activities, athletics and community services.
  - Other Expenditures and Financing Uses (12%) - Transfers from the general fund to support the food service fund, to fund debt service payments and establish capital reserves.
- Over half of budgeted expenses consist of direct contact with students through instruction (56%).

### Budgeted Expense By Function



### Fund Balance

- The Proposed Final Budget includes:
  - Use of committed fund balance to offset increases in expense. Fund balance for PSERS was committed in prior years to offset projected future year expenses. The proposed budget includes usage of \$659,620.
  - Addition of \$1,783,500 to the Capital Reserve fund to provide funding for:
    - A portion of the State High project
    - Annual debt service for Elementary projects (\$3,441,200 in 2019-20)
    - Other facility projects.
  - Projected Unassigned General Fund Balance of \$12,890,525, which is 7.9% of budgeted expense. The maximum percentage allowed by PDE is 8%.

### **District Facts**

- Nine elementary schools (decreasing to 8 in the 2019-20 school year when Houserville and Lemont move to the new Spring Creek building)
- Three middle schools (including alternative Delta Middle Level)
- Two high schools (including alternative Delta Program)
- 2,978 elementary students
- 1,600 middle school students (including Delta Middle Level)
- 2,316 high school students (including Delta Program)
- 1,339 employees
- 656 teachers
- Covers 150 square miles
- Transportation system providing service to District, Charter and Private students
- District operated school breakfast and lunch program
- Community education programs including after school and summer extended learning opportunities

### **Pennsylvania School Law**

The School Law of Pennsylvania, as enacted by the Commonwealth legislature, requires that public school districts approve an annual budget on the modified accrual basis for the operation of the General Revenue Fund prior to the start of the fiscal year. The Board of School Directors of each district is further required to make these budgets available for public inspection at least 20 days prior to their adoption. Once approved by the district's Board of School Directors, these budgets become the approved spending plan of the district for the coming year, and the Board is prohibited from spending or obligating funds in excess of these amounts. The Board is authorized to transfer funds within the budget during the last nine months of the fiscal year. Unused appropriations revert to the fund balance at the end of each fiscal year. The school district designates a portion of this fund balance by an amount equal to outstanding encumbrances at year end.

### **Board of School Directors**

Amber Concepcion, President  
Dr. Amy Bader, Vice-President  
Lori Bedell  
Gretchen Brandt  
Dr. Daniel Duffy  
Scott Fozard  
David Hutchinson  
Jim Leous  
Laurel Zydney

### **Administration**

Dr. Robert J. O'Donnell, Superintendent  
Dr. Will L. Stout, Assistant Superintendent for Secondary Education  
Vernon J. Bock, Assistant Superintendent for Elementary Education  
Linda E. Pierce, Director of Human Resources  
Randy L. Brown, Finance & Operations Officer  
Donna M. Watson, Assistant Business Administrator

*State College Area School District*  
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[www.scasd.org](http://www.scasd.org)

*Mission: To prepare students for lifelong success through excellence in education.*