

State College Area School District



2020-21 Budget Development

**State College
Area School District
June 15, 2020**

Proposed Final Budget

Budget Hearing

Final Budget Approval

- To reiterate – our budget proposal has assumed that Penn State would return to in-person classes – which was announced yesterday
 - Therefore, no further changes necessary in our budget development at this point.

Proposed Final Budget

6/15/2020 \$158,442,690

3/2/2020 \$168,500,530

Difference \$ 10,057,840

Proposed Final Budget

- Increase of \$561,365
 - Safety and Security Grants
 - Includes a broader scope than previous years for COVID expenses

Proposed Final Budget

- Differences related:
 - Removal of 2% tax increase
 - Lower assessed value growth
 - Lower real estate tax collection
 - Lower earned income tax
 - Lower realty transfer tax
 - Lower delinquent real estate tax revenue
 - Lower tuition revenue
 - Lower interest on investments
 - Lower retirement and social security reimbursement

Proposed Final Budget

- Reductions in Expenses
 - Salaries
 - Benefits
 - Services
 - Supplies
 - Capital expenses
 - Reserve transfer and deferred maintenance expense

Proposed Final Budget

- **Fund Balance**

- **Balanced budget**
 - Does not include transfer to capital reserve
 - Decrease in deferred maintenance – capital expenditures

Real Estate Tax Bills

- Pending legislation

- HB 2460 and SB 1125
- May change requirements on real estate tax bills

Debt Refunding

- Preliminary refunding analysis for Series A & B – 2014
 - Estimated savings of 8%
 - Generally require 3%
 - August – September 2020 timeframe

Timeline

- April 6, 2020 –Full Board Meeting *completed*
- April 21, 2020 –Finance Committee *completed*
- April 27, 2020 –Full Board Meeting *completed*
- May 4, 2020–Full Board Meeting *completed*
- May 12, 2020 –Finance Committee *completed*
- May 18, 2020–Full Board Meeting *completed*
 - Approve proposed final budget
- June 1, 2020–Full Board Meeting *completed*
- June 15, 2020 –Budget Hearing and full Board Meeting
- June 29, 2020 –Full Board Meeting
- Approve final budget

Questions

State College Area School District

