

To prepare students for lifelong success through excellence in education



info@scasd.org — 814.231.1042

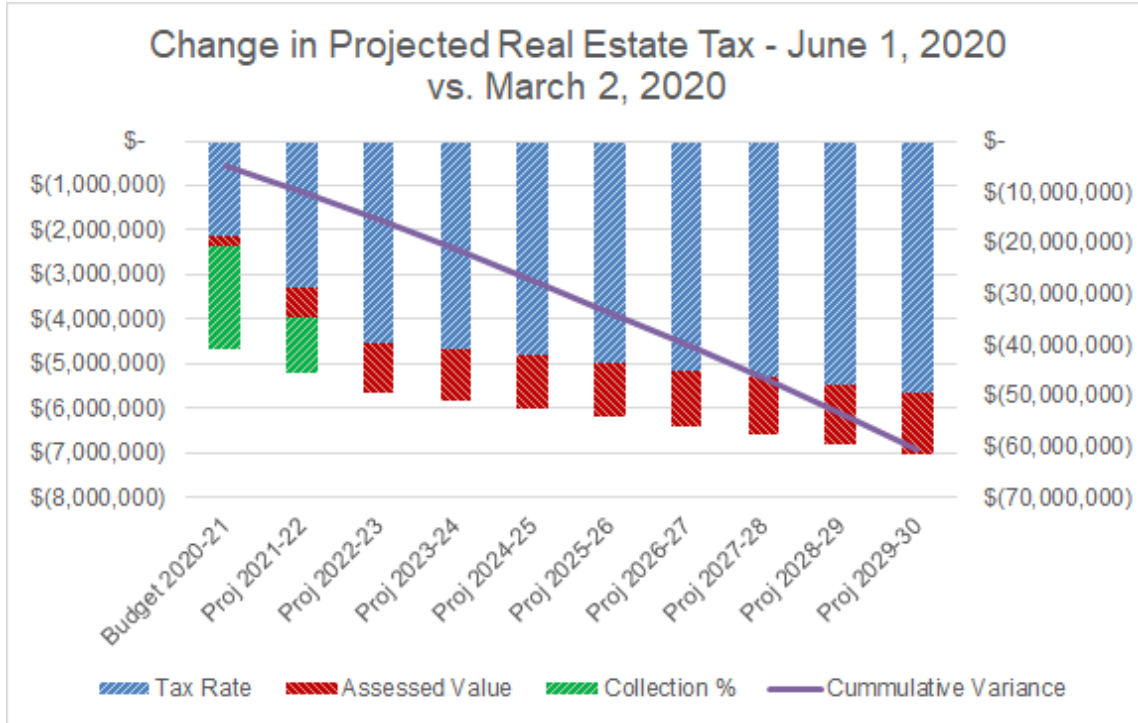
To: Finance Committee
 From: Robert O'Donnell, Randy Brown and Donna Watson
 Subject: 2020-2021 Budget Development
 Date: May 29, 2020

This budget development update follows the approval of the proposed final budget which took place at the May 18 board meeting. During Monday's Board meeting, the final budget will be reviewed in preparation for the budget hearing which will take place on June 15. The final budget proposal is scheduled for action on June 29. During the next month, we will continue to monitor economic conditions, state requirements, and changes related to our planning for the fall, and make necessary refinements to this proposal.

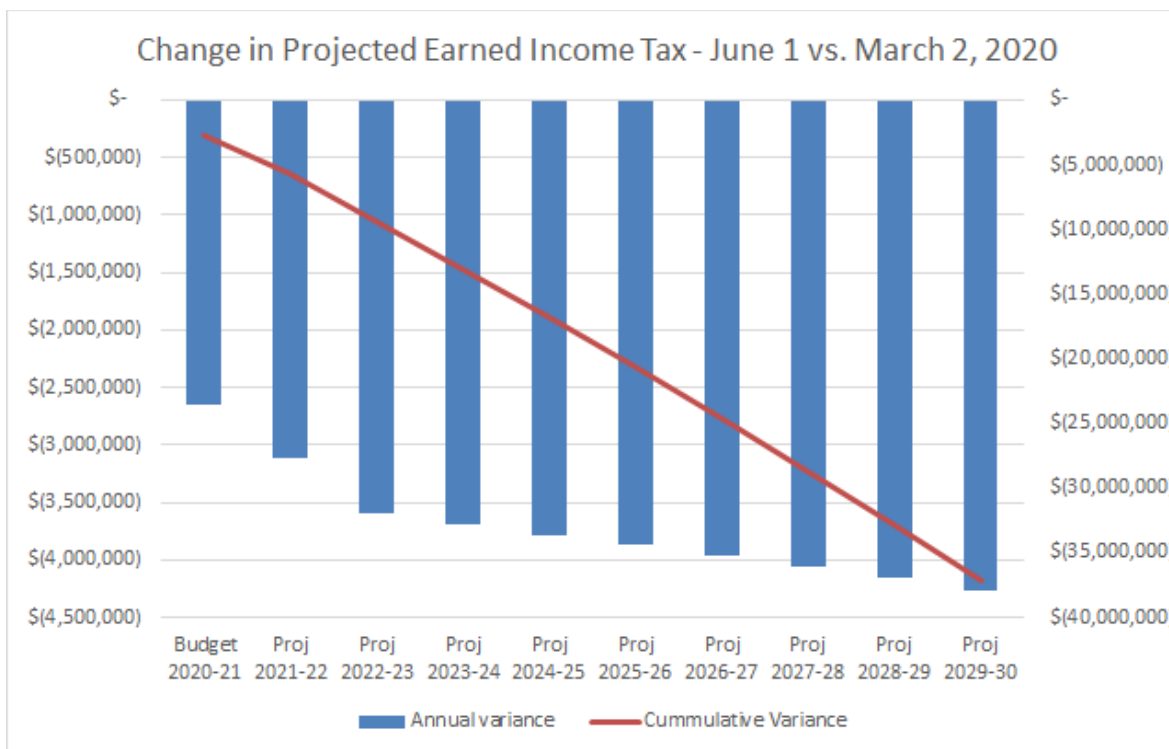
Revenue

The 2020-2021 budget proposal includes no change in the real estate tax increase. This action has been recommended in response to the current economic challenges of the community. We should be mindful that by not increasing the tax rate, even for one year, limitations of the Act 1 Index will restrict our ability to replace this revenue in future years.

Prior to the pandemic, our multi-year budget projections included a 2 percent tax increase each year, which would have generated more than \$2 million annually. To reflect expected decreased collections of real estate taxes by some taxpayers' inability to pay, an additional \$2 million may not be received. Over the 10-year projection period, this revenue accumulates to nearly \$50 million.



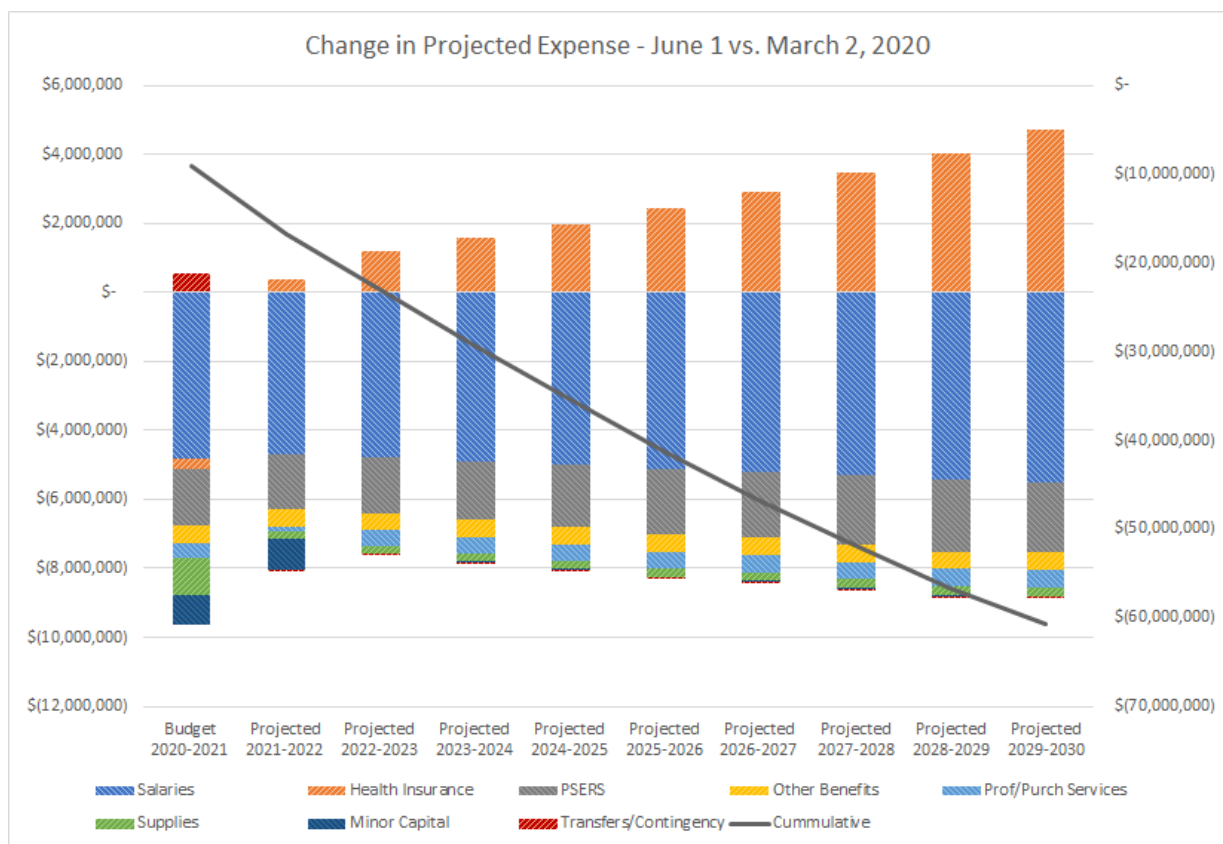
The final budget proposal also includes a reduction of earned income tax revenue in the amount of \$2.5 million due to unemployment projections. We have not projected rapid recovery in this revenue. Similar to real estate tax revenue, the decrease in collections could result in a similar loss of revenue during our projection period.



Expense

On the expense side since the start of the pandemic, our budget has been reduced by over \$10 million to reflect the reduction in budgeted revenue. These reductions are in salaries, capital, PSERS, health insurance, supplies, and services. The only increase is in transfers to other funds for a larger loss in food services. Looking throughout the projection period, healthcare costs are now rising at a faster rate than predicted earlier due to updated costs from our actuary.

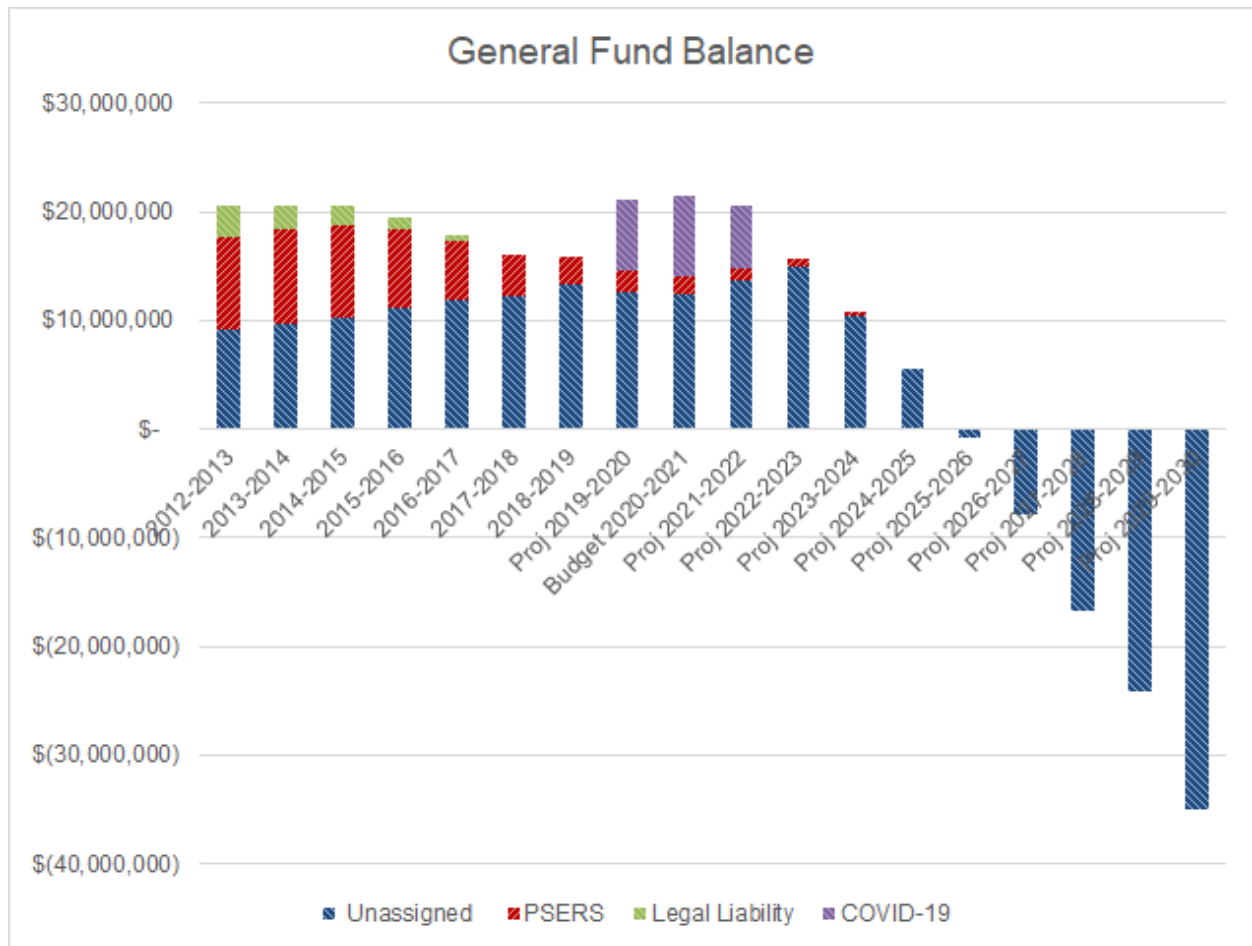
Reductions for capital and supplies have been returned to the budget in future years. In order to return the salary and related benefit costs to the budget, revenue will need to grow faster than estimated, without other changes in the budget allocations.



All this being said, charter school enrollments and costs related to COVID-19 may impact our budget beyond our current budget footprint.

Fund Balance

The multi-year projections include declining fund balance throughout the period as expenses are predicted to grow faster than revenue. In fact, as we have discussed before, the current projections show a negative fund balance at the end of the period. What this means is that we have significant work ahead in our future budget development cycles as we monitor the economic landscape to maintain our financial stability.



State Revenue

At this writing, the state budget is awaiting the governor's signature. K-12 education has been funded at the 2019-20 levels for most line items. Even though this is only a five-month, stop-gap, budget for the entire state, school districts will be receiving level funding for 12 months, and our state revenue uncertainty ends.

In other action by the Senate, waiting for concurrence by the House, state property tax relief will be funded by a transfer at the state level from the CARES Act. Due to the pandemic, the gaming funds did not produce sufficient revenue to fund this year's property tax relief. Now that the amount of property tax relief will be certified, the Homestead/Farmstead resolution will be

included on your next agenda in a similar amount to the prior year, approximately \$109 per approved property.

CARES Act funding to our district includes \$600,000 for pandemic and closure expenses, which we are eligible to begin spending after March 13, 2020. In addition, the 2020-2021 state budget will include an allocation of \$120,000 for expenses to include, but are not limited to, cleaning and sanitizing supplies and training, personal protective equipment, thermometers and infrared cameras, as well as other services and equipment related to distance learning and safety programs.

Real Estate Tax Bills

On a related item, House bill 2460 has been introduced and could affect our real estate tax bills. We are hopeful this bill does not turn into law due to items which would negatively impact our revenue collection. We will speak further about this proposed legislation after obtaining an update prior to Monday's Board meeting.

Additional Materials

Attachment A includes our 2020-2021 final budget proposal summary prepared for the budget hearing. The 2020-2021 final budget proposal statements are included in Attachment B. The presentation to accompany our discussion is included in Attachment C.

Attachment A



**STATE COLLEGE AREA SCHOOL DISTRICT
ADMINISTRATIVE OFFICES**

240 VILLA CREST DRIVE • STATE COLLEGE, PENNSYLVANIA • 16801-7951
TELEPHONE 814-231-1021 • FAX 814-272-8790 • www.scasd.org

**STATE COLLEGE AREA SCHOOL DISTRICT
2020-21 FINAL BUDGET SUMMARY**

Budget Hearing Date: June 15, 2020, 7:00 p.m.
Budget Adoption Date: June 29, 2020, 7:00 p.m.
Location: Provided online via Zoom due to COVID-19

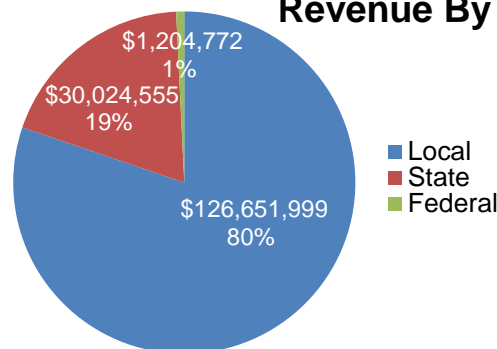
Education is an investment in the future that requires a partnership between schools and the entire community. The State College Area School District is committed to wise use of resources and delivery of quality educational programs.

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

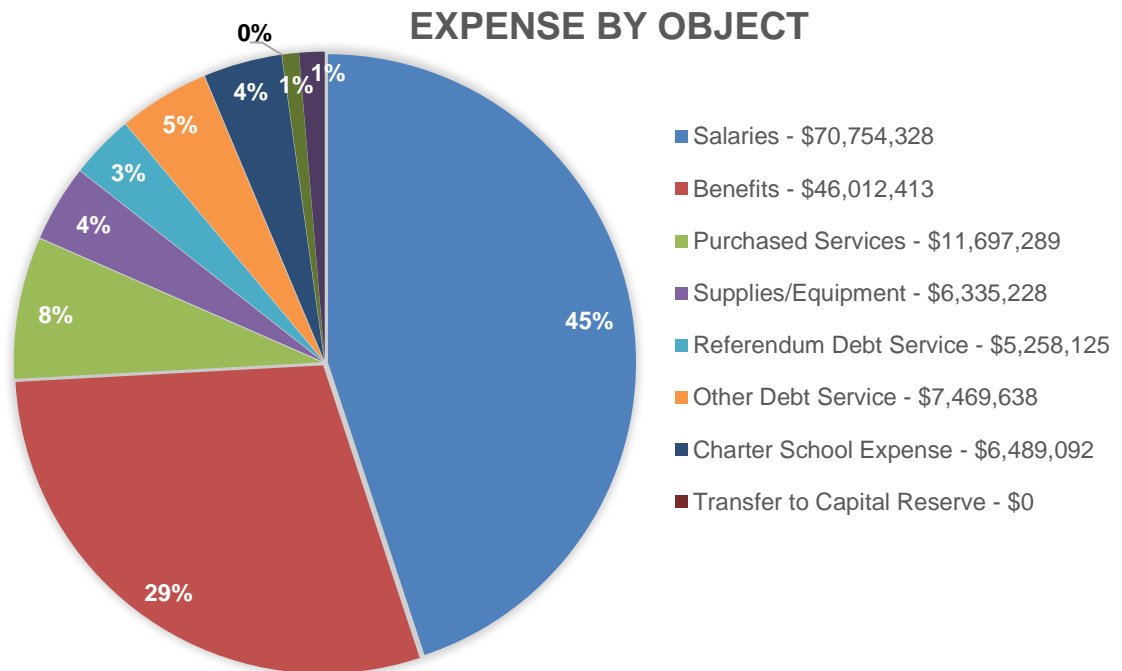
- The Proposed Final Budget for 2020-21 includes revenues in the amount of \$157,881,326, which represents a \$5,531,057 (3.4%) decrease compared to the 2019-20 Budget.
- Budgeted local revenue is \$4,665,929 less than the 2019-20 budget. Approximately \$2,500,000 of this decrease is based on an estimated 10% reduction in earned income tax. Real estate taxes and transfer tax comprises for the majority of the remaining decrease.
- The proposed budget includes no increase in the real estate tax rate due to the projected economic impacts of COVID-19 on the local community. The real estate tax millage remains at 46.0875 mills.
- This is the first time in thirteen years that the district has not increased taxes. The Act 1 index for 2020-2021 is 2.6%
- The district is primarily locally funded, with 80% of revenue from local sources. The majority (82%) of local revenue comes from real estate taxes. Real estate tax revenue is 66% of total district revenue.
- Budgeted state revenue is \$823,858 lower than the 2019-20 budget. Grant revenue of approximately \$1,170,00, which funded a portion of the State High and three elementary building projects, were included in the 2019-20 budget. Lower reimbursement is expected for retirement (\$221,000) and social security (\$67,000) due to a budgeted reduction in salaries and wages. State revenue includes increases related to state subsidies approved subsequent to the District's 2019-20 budget and increased reimbursement related to debt service payments.

Revenue By Source

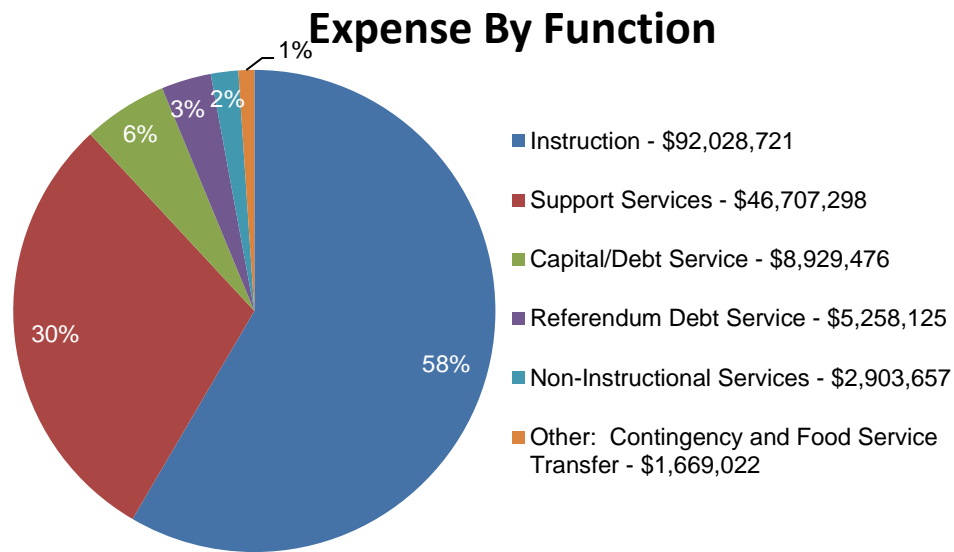


Expense Budget

- The Proposed Final Budget for 2020-21 includes expenses in the amount of \$157,496,300, which represents a \$6,441,927 (3.9%) decrease compared to the 2019-20 Budget.
- Salary and benefit expenses represent approximately 74% of the district’s budget.
- The budget assumes in-person instruction in the fall.
- The budget includes the following reductions in expense compared to the prior year. These reductions are necessary until we better understand the severity of COVID-19 impacts on state and local revenue, costs of our education model and also to maintain a committed fund balance needed to cover projected revenue shortfalls in 2021-22 and 2022-23 caused by COVID-19 economic impacts.
 - Expect to fill 30% of 30 open teaching and administrative positions
 - All other replacements for position on hold
 - Salaries and wage rates are frozen at 2019-20 levels
 - Deferred purchases of supplies, equipment, and professional services
 - Curriculum – defer curriculum work (professional development) and materials
 - Transportation- rate freeze for contracted carriers, defer school bus purchases
 - Defer capital reserve transfer
- The Food Service fund is expected to experience a greater loss resulting in an increased transfer from the general fund of \$660,000
- Budgeted contingency funds will be utilized to provide funding defined by the Health and Wellness, Educational Model and Operations teams as planning for fall instruction continues.
- The budget contains an allocation of \$14,112,601 (9%) for debt service and capital expenses which includes \$5,258,125 to fund debt service payments related to the State High Project borrowing approved through the referendum



- The District is required to report expenses to PDE using defined functional groupings. Functions reported in the chart below include:
 - Instruction (58%) - 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 (30%) – 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 (10%) - 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 (58%).



Fund Balance

- The Proposed Final Budget includes:
 - Use of committed fund balance in accordance with long term projections. Fund balance for PSERS was committed in prior years to offset projected future year expenses. The proposed budget includes usage of \$396,159 of committed PSERS fund balance.
 - Commitment of \$951,000 of fund balance to cover a portion of revenue shortfalls in future years due to the impact of COVID-19.
 - Capital Reserve fund transfers have been deferred in this budget.
 - Projected Unassigned General Fund Balance of \$12,474,536, which is 7.9% of budgeted expense. The maximum percentage allowed by PDE is 8%.

District Facts

- Eight elementary schools
- Three middle schools (including alternative Delta Middle Level)
- Two high schools (including alternative Delta Program)
- 2,934 elementary students
- 1,552 middle school students (including Delta Middle Level)
- 2,346 high school students (including Delta Program)
- 1,343 employees
- 660 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

Ms. Amber Concepcion, President
Dr. Amy Bader, Vice-President
Ms. Lori Bedell
Ms. Gretchen Brandt
Dr. Daniel Duffy
Mr. Scott Fozard
Mr. David Hutchinson
Mr. Jim Leous
Ms. 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
240 Villa Crest Drive
State College, PA 16801
(814) 231-1021
www.scasd.org

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

Attachment B

	A	B	C	P	Q	R	S	T
2	General Fund Revenue							
3	Budget 2020-21							
4								
5								
6		Preliminary	Board	Board	Board	Board	Board	
7	LOCAL SERVICES TAX	Budget -	Presentation	Presentation	Presentation	Presentation	Presentation	6/1/20 vs.
8		12/2/19	3/2/20	4/6/20	4/27/2020	5/12/2020	6/1/2020	5/12/20
8	CURRENT REAL ESTATE TAX	\$ 103,380,229	\$ 103,380,229	\$ 98,499,105	\$ 98,499,105	\$ 98,702,922	\$ 98,702,922	\$ -
9	REAL ESTATE TAX-REFERENDUM DEBT	4,945,740	4,945,740	4,945,740	4,945,740	4,945,740	4,945,740	-
10	EARNED INCOME TAX	19,320,000	19,320,000	17,000,000	16,200,000	16,200,000	16,200,000	-
11	REALTY TRANSFER TAX	2,200,000	2,400,000	1,350,000	1,350,000	1,350,000	1,350,000	-
12	DELINQUENT REAL ESTATE TAX	1,100,000	1,100,000	900,000	850,000	850,000	850,000	-
13	INTERIM REAL ESTATE TAX	600,000	700,000	400,000	400,000	400,000	400,000	-
14	IDEA-B	740,000	740,000	740,000	740,000	740,000	740,000	-
15	PAYMENTS IN LIEU OF TAX	664,382	674,646	674,646	674,646	674,646	674,646	-
16	LOCAL SERVICES TAX	410,000	392,000	392,000	392,000	392,000	392,000	-
17	TUITION	1,420,000	1,581,910	1,581,910	1,581,910	1,511,092	1,511,092	-
18	MISC LOCAL REVENUE	611,705	518,409	518,409	518,409	518,409	518,409	-
19	PUBLIC UTILITY REALTY TAX	117,190	117,190	117,190	117,190	117,190	117,190	-
20	INTEREST ON INVESTMENTS	250,000	400,000	250,000	250,000	250,000	250,000	-
22	TOTAL LOCAL	135,759,245	136,270,123	127,368,999	126,519,000	126,651,998	126,651,998	-
24	STATE							
25	BASIC ED INSTR SUBSIDY	8,407,038	8,407,038	8,407,038	8,407,038	8,407,038	8,407,038	-
26	SPECIAL ED REVENUE-REGULR	3,323,982	3,323,982	3,323,982	3,323,982	3,323,982	3,323,982	-
27	REV. FOR RETIREMENT	12,669,751	12,771,211	12,690,075	12,188,467	11,948,339	11,948,339	-
28	REV. FOR SOCIAL SECURITY	2,791,742	2,833,564	2,815,552	2,706,581	2,652,226	2,652,226	-
29	PROPERTY TAX REDUCTION	1,423,580	1,423,580	1,423,580	1,423,580	1,426,711	1,426,711	-
30	TRANSPORTATION REVENUE	800,000	800,000	800,000	800,000	800,000	800,000	-
31	BOND REIMBURSEMENTS	744,972	751,246	751,246	751,246	751,246	751,246	-
32	HEALTH SERVICES REVENUE	140,000	140,000	140,000	140,000	140,000	140,000	-
33	READY TO LEARN GRANT	310,013	310,013	310,013	310,013	310,013	310,013	-
34	SAFETY GRANTS	-	35,000	35,000	35,000	35,000	35,000	-
35	VOCATIONAL EDUCATION	100,000	100,000	100,000	100,000	100,000	100,000	-
36	OTHER STATE REVENUE	-	-	-	-	-	-	-
37	TUITION - 1305/1306	130,000	130,000	130,000	130,000	130,000	130,000	-
38	TOTAL STATE	30,841,079	31,025,635	30,926,486	30,315,907	30,024,555	30,024,555	-
40	FEDERAL							
41	TITLE I REVENUE	600,000	700,000	700,000	700,000	700,000	700,000	-
42	TITLE II REVENUE	156,489	159,772	159,772	159,772	159,772	159,772	-
43	ACCESS FUNDS	250,000	250,000	250,000	250,000	250,000	250,000	-
44	OTHER FEDERAL REVENUE	60,000	60,000	60,000	60,000	60,000	60,000	-
45	TITLE III REVENUE	35,000	35,000	35,000	35,000	35,000	35,000	-
47	TOTAL FEDERAL	1,101,489	1,204,772	1,204,772	1,204,772	1,204,772	1,204,772	-
49	TOTAL REVENUE	\$167,701,813	\$168,500,530	\$159,500,257	\$158,039,679	\$157,881,325	\$157,881,325	\$ -
50								
51								
52								
53								
54								

	A	B	C	L	N	O	P	Q	R
1	State College Area School District								
2	General Fund Expenses and Fund Balance Transfers								
3	Budget 2020-21								
4									
5		Preliminary	Board	Board	Board	Board	Board		
		Budget	Presentation	Presentation	Presentation	Presentation	Presentation	6/1/20 vs.	
		12/2/19	3/2/20	4/6/20	4/27/20	5/12/2020	6/1/2020	5/12/20	
6	Salaries	\$74,476,245	\$75,591,943	\$75,111,419	\$72,204,388	\$70,754,328	\$70,754,328		\$0
7	Health Insurance	15,595,089	15,518,975	15,822,457	15,509,327	15,230,533	15,230,533		-
8	PSERS	25,339,502	25,542,422	25,380,149	24,376,933	23,896,677	23,896,677		-
9	Other Benefits	7,204,682	7,367,223	7,317,938	7,085,376	6,885,204	6,885,204		-
10	Professional Services	3,676,878	3,968,202	3,768,202	3,768,202	3,544,822	3,544,822		-
11	Purchased Property Services	1,459,135	1,398,770	1,398,770	1,398,770	1,214,940	1,214,940		-
12	Charter School Expense	7,040,000	6,489,092	6,489,092	6,489,092	6,489,092	6,489,092		-
13	Other Purchased Services	6,675,361	6,781,011	7,081,011	7,081,011	6,937,527	6,937,527		-
14	Supplies/Equipment	7,672,204	7,389,498	7,389,498	7,389,498	6,335,227	6,335,227		-
15	Minor Capital Projects	2,269,677	2,269,677	2,269,677	2,269,677	1,384,838	1,384,838		-
16	Transfers/contingencies	1,321,017	1,547,119	1,547,119	1,547,119	2,095,349	2,095,349		-
17	Debt Service	7,469,638	7,469,638	7,469,638	7,469,638	7,469,638	7,469,638		-
18	Debt Service - Referendum Debt	5,258,125	5,258,125	5,258,125	5,258,125	5,258,125	5,258,125		-
19	Transfer to Capital Projects-DCED Grant	-	-	-	-	-	-		-
20	Total Expense before transfer to capital reserve and fund balance use	165,457,553	166,591,696	166,303,094	161,847,156	157,496,300	157,496,300		-
21									
22	Transfer to Capital Reserve	2,248,000	2,248,000	-					
23	Fund Balance Use (COVID-19)			(3,920,000)	(3,606,000)	951,000	951,000		-
24	Fund Balance Use (PSERS/Legal)	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)		-
25	Total Transfer to Capital Reserve and fund balance use	1,851,841	1,851,841	(4,316,159)	(4,002,159)	554,841	554,841		-
26									
27	Total Expenses and Transfers	\$167,309,394	\$168,443,537	\$ 161,986,936	\$ 157,844,998	\$ 158,051,141	\$ 158,051,141		-
28									
29	Total Debt Service (General + Capital Reserve Fund)								
30	Debt Service Paid from Capital Reserve (a)	\$4,848,525	\$4,848,525	\$4,848,525	\$4,848,525	\$4,848,525	\$4,848,525		
31	Total Debt Service (including referendum debt)	\$17,576,288	\$17,576,288	\$17,576,288	\$17,576,288	\$17,576,288	\$17,576,288		
32									
33	Interest included in Debt Service	\$9,266,288	\$9,266,288	\$9,266,288	\$9,266,288	\$9,266,288	\$9,266,288		
34	<i>(a) Debt service for Series 2018 and Series 2019 Bonds for all years is included in the Capital Reserve Fund.</i>								
35									

	A	B	C	D	G	K	N	O	P
1	State College Area School District								
2	General Fund Activity								
3	Budget 2020-21								
4									
13									
14		Preliminary	Board	Board	Board	Board	Board		
15		Budget 12/2/19	Presentation	Presentation	Presentation	Presentation	Presentation	6/1/20 vs.	
16			3/2/20	4/6/20	4/27/20	5/12/2020	6/1/2020	5/12/2020	
16	Beginning Fund Balance	\$13,069,150	\$13,297,879	\$12,859,894	\$12,644,352	\$12,644,352	\$12,644,352	\$0	a
17									
18	Revenue	167,701,813	168,500,530	159,500,257	158,039,679	157,881,325	157,881,325	-	
19									
20	Local	135,759,245	136,270,123	127,368,999	126,519,000	126,651,998	126,651,998	-	
21	State	30,841,079	31,025,635	30,926,486	30,315,907	30,024,555	30,024,555	-	
22	Federal	1,101,489	1,204,772	1,204,772	1,204,772	1,204,772	1,204,772	-	
23									
24	Expense (including capital reserve transfer)	167,705,553	168,839,696	166,303,094	161,847,156	157,496,300	157,496,300	-	
25	Revenue less expense	(3,740)	(339,168)	(6,802,838)	(3,807,478)	385,025	385,025	-	b
26									
27	Funding (Use) of Assigned Fund Bal (COVID-19)	0	0	(3,920,000)	(3,606,000)	951,000	951,000	-	c
28	Funding (Use) of Assigned Fund Bal (PSERS)	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	-	d
29	Change in Assigned Fund Balance	(396,159)	(396,159)	(4,316,159)	(4,002,159)	554,841	554,841	-	e (c+d)
30									
31	Change in Unassigned General Fund Balance	392,419	56,992	(2,486,679)	194,681	(169,816)	(169,816)	-	f (b-e)
32									
33	Ending Unassigned Fund Balance	<u>\$13,461,569</u>	<u>\$13,354,871</u>	<u>\$10,373,215</u>	<u>\$12,839,033</u>	<u>\$12,474,536</u>	<u>\$12,474,536</u>	<u>\$0</u>	(a+f)
34									
35	Unassigned Fund Balance Percentage	8.0%	7.9%	6.2%	7.9%	7.9%	7.9%		
36									

Attachment C

State College Area School District

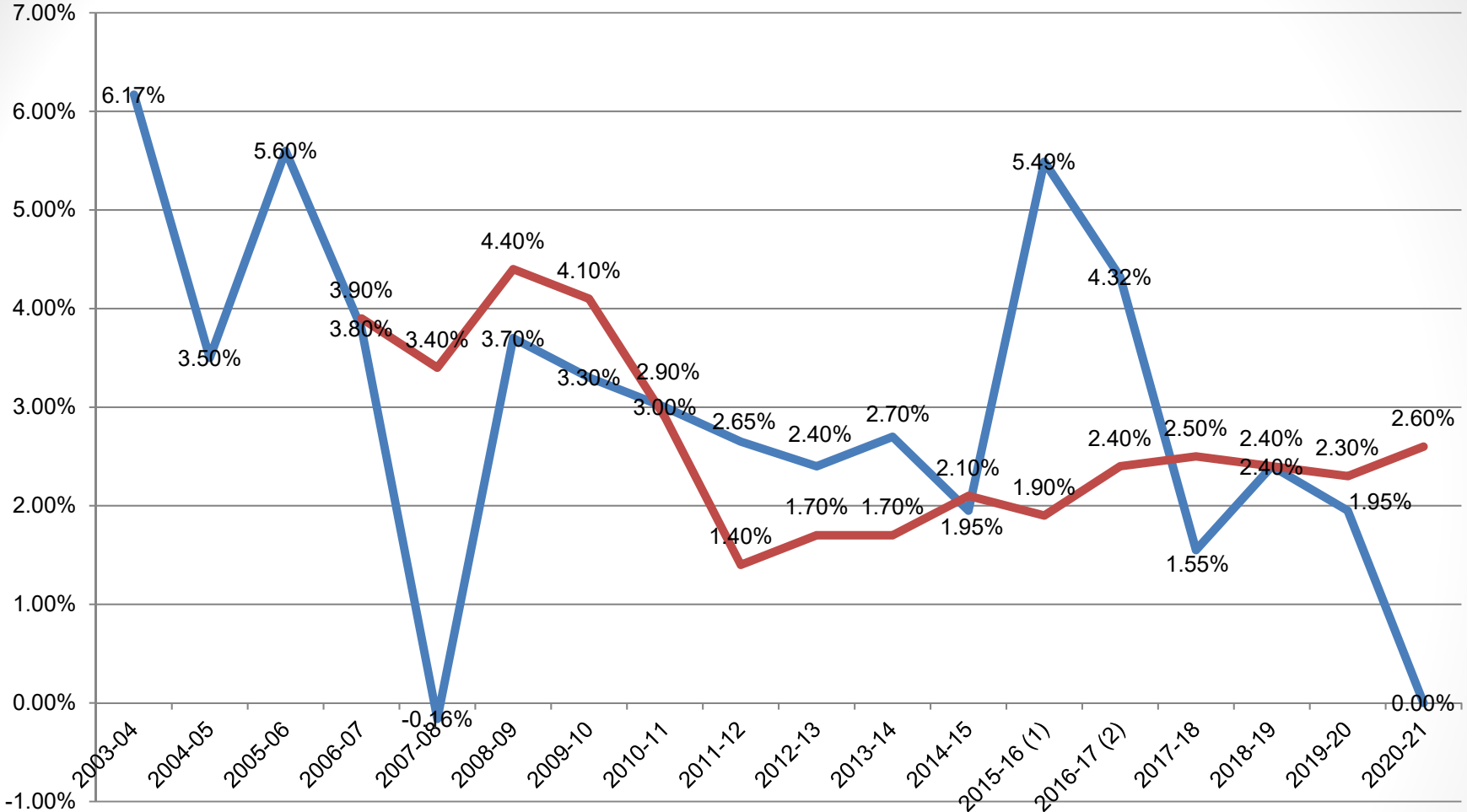


2020-21 Budget Development

State College Area School District June 1, 2020

(2)

Real Estate Tax Increase vs. Act 1 Index



(1) Act 1 Index 1.9%, exceptions 3.59%
(2) Act 1 Index 2.4%, exceptions 1.92%

5- Year avg = 3.14% 10- Year Avg = 2.84%

— Real Estate — Act 1 Index

**State College Area School District
Real Estate Tax
Taxpayer Impact - Homestead Approved Residential Properties**

SCASD Real Estate Tax

	Assessed Value (1)	2017-18	2018-19	2019-20	2020-21
Minimum	\$7,275	\$321	\$329	\$335	\$335
25th Percentile	\$52,930	\$2,337	\$2,393	\$2,424	\$2,439
Median	\$72,295	\$3,192	\$3,268	\$3,307	\$3,332
75th Percentile	\$98,295	\$4,339	\$4,444	\$4,507	\$4,530
Maximum	\$483,340	\$21,338	\$21,850	\$22,276	\$22,276

Average	\$81,513	\$3,599	\$3,685	\$3,739	\$3,757
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Millage Rate	44.1468	45.206	46.0875	46.0875
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Tax Increase

2017-18	2018-19	2019-20	2020-21 (2)
\$5	\$8	\$6	\$0
\$36	\$56	\$31	\$15
\$49	\$77	\$39	\$25
\$66	\$104	\$63	\$23
\$326	\$512	\$426	\$0

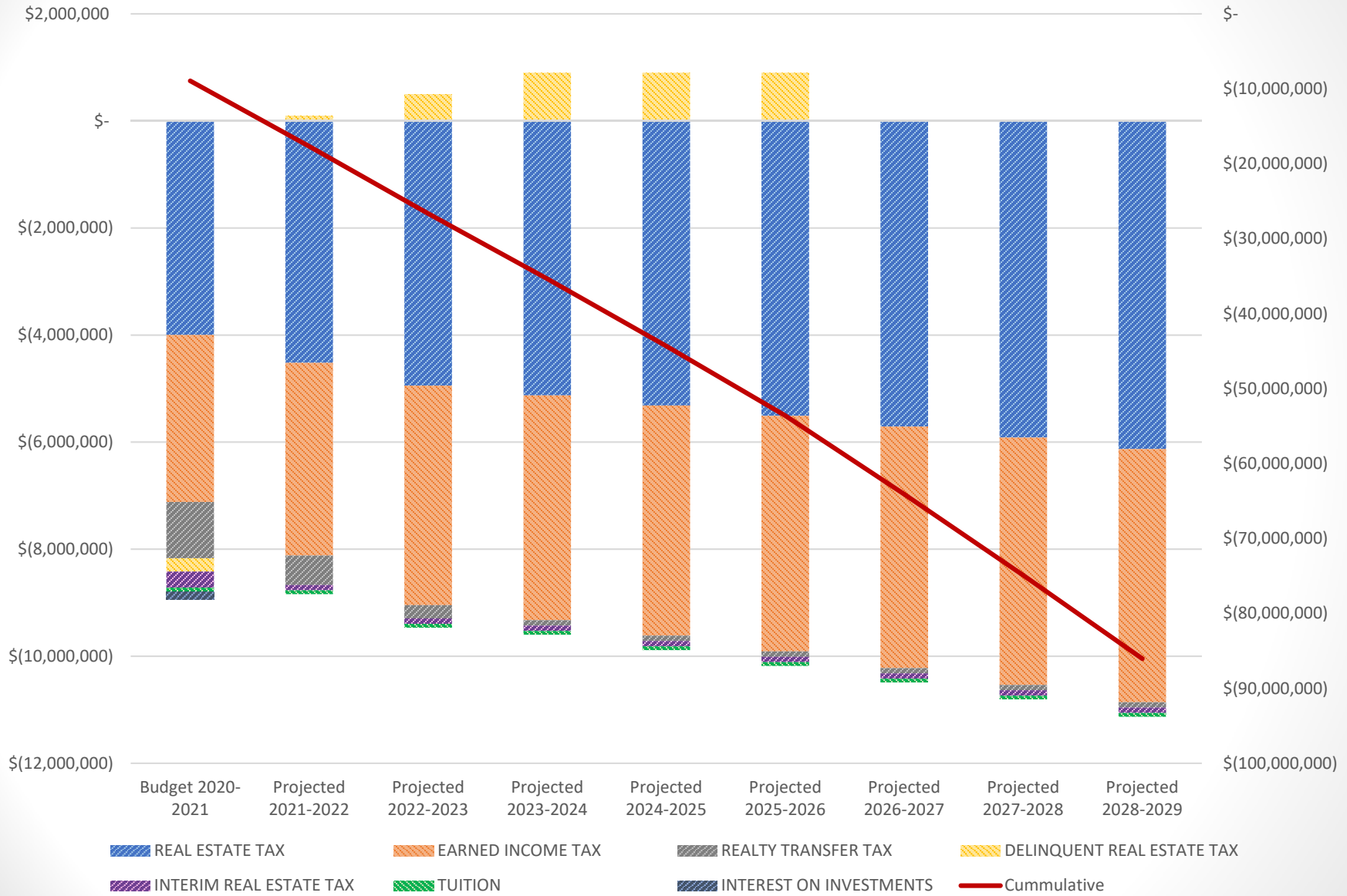
\$55	\$86	\$54	\$18
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1.55%	2.40%	1.95%	0.00%
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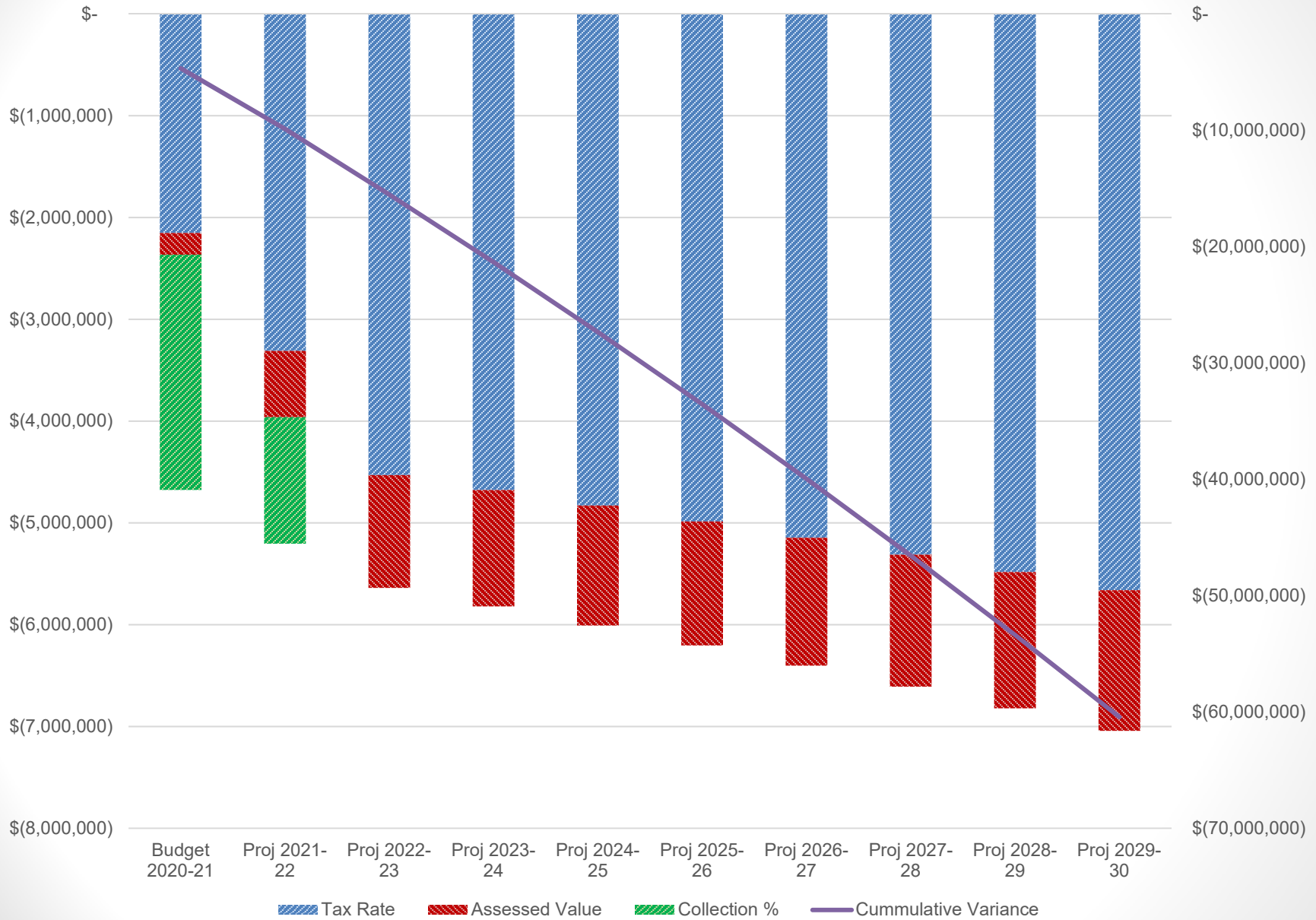
(1) Based on approved homestead properties as of May 2019.

(2) The tax change in 2020-21 is related to the increase in the assessed value calculated from the May 2019 homestead property listing vs. the May 2018 listing used for the 2019-20 calculations. There is no increase in the millage rate budgeted for 2020-21.

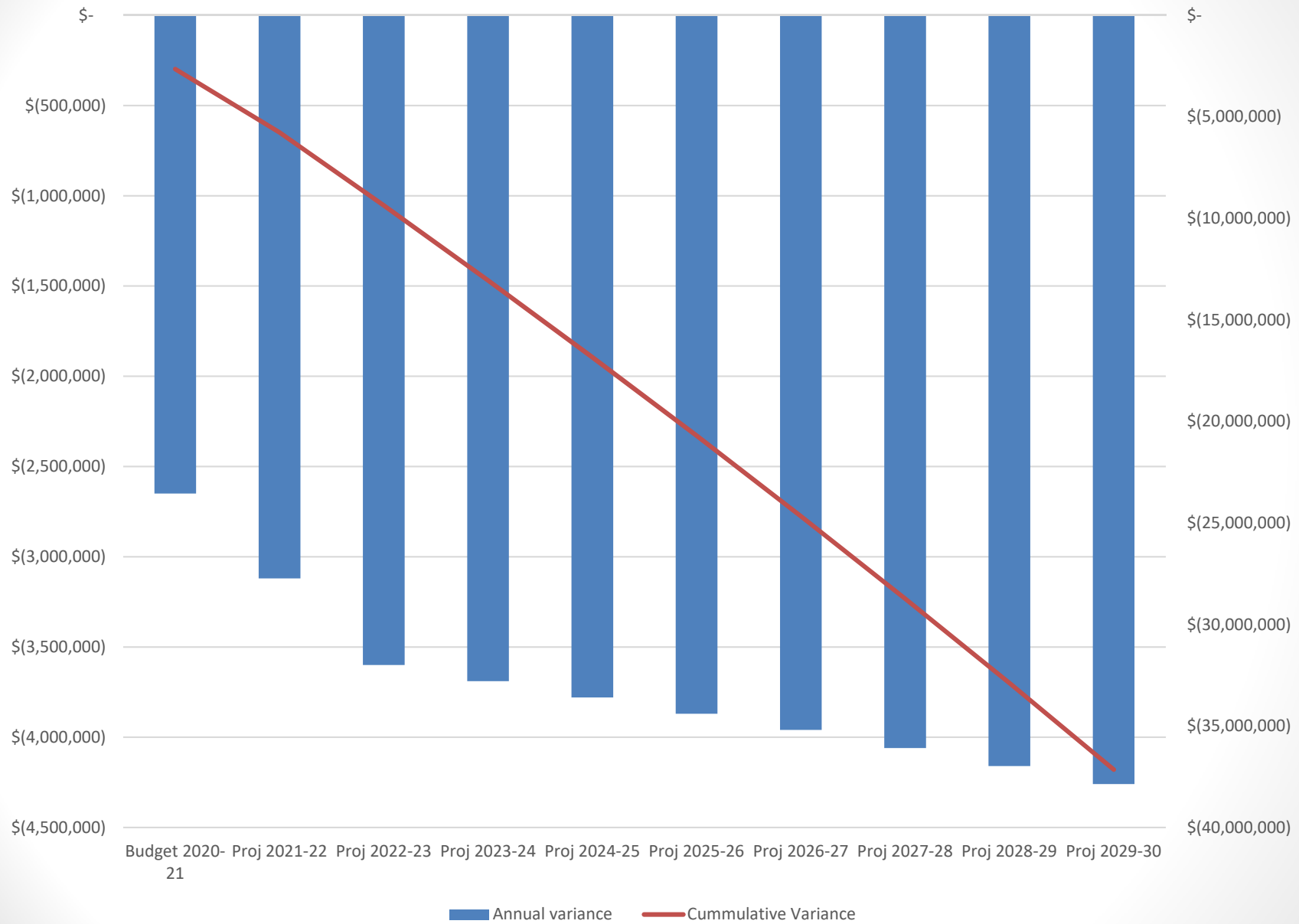
Change in Local Revenue Projection - June 1 vs. March 2, 2020



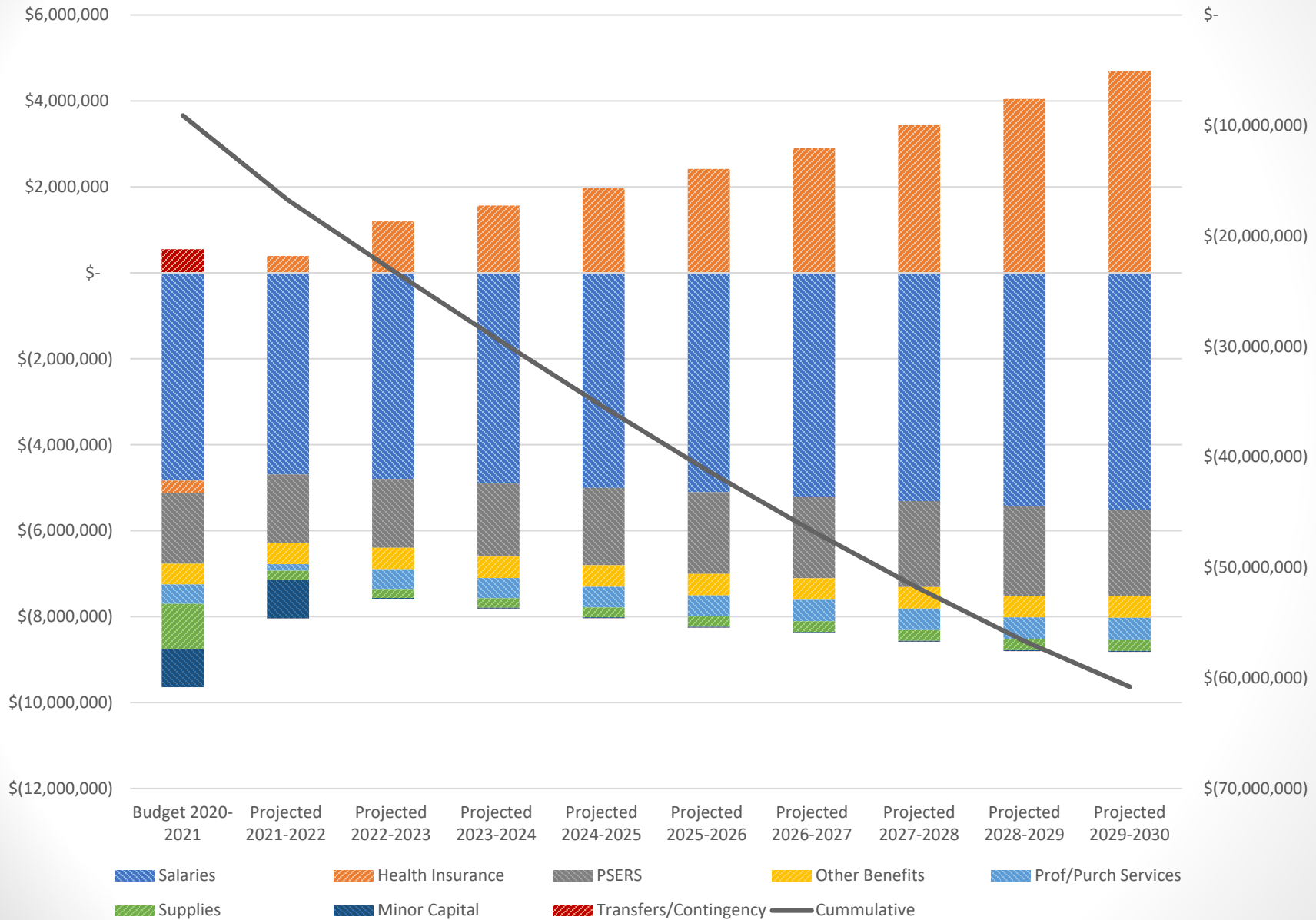
Change in Projected Real Estate Tax - June 1, 2020 vs. March 2, 2020



Change in Projected Earned Income Tax - June 1 vs. March 2, 2020



Change in Projected Expense (Excluding Transfer to Capital Reserve) June 1 vs. March 2, 2020



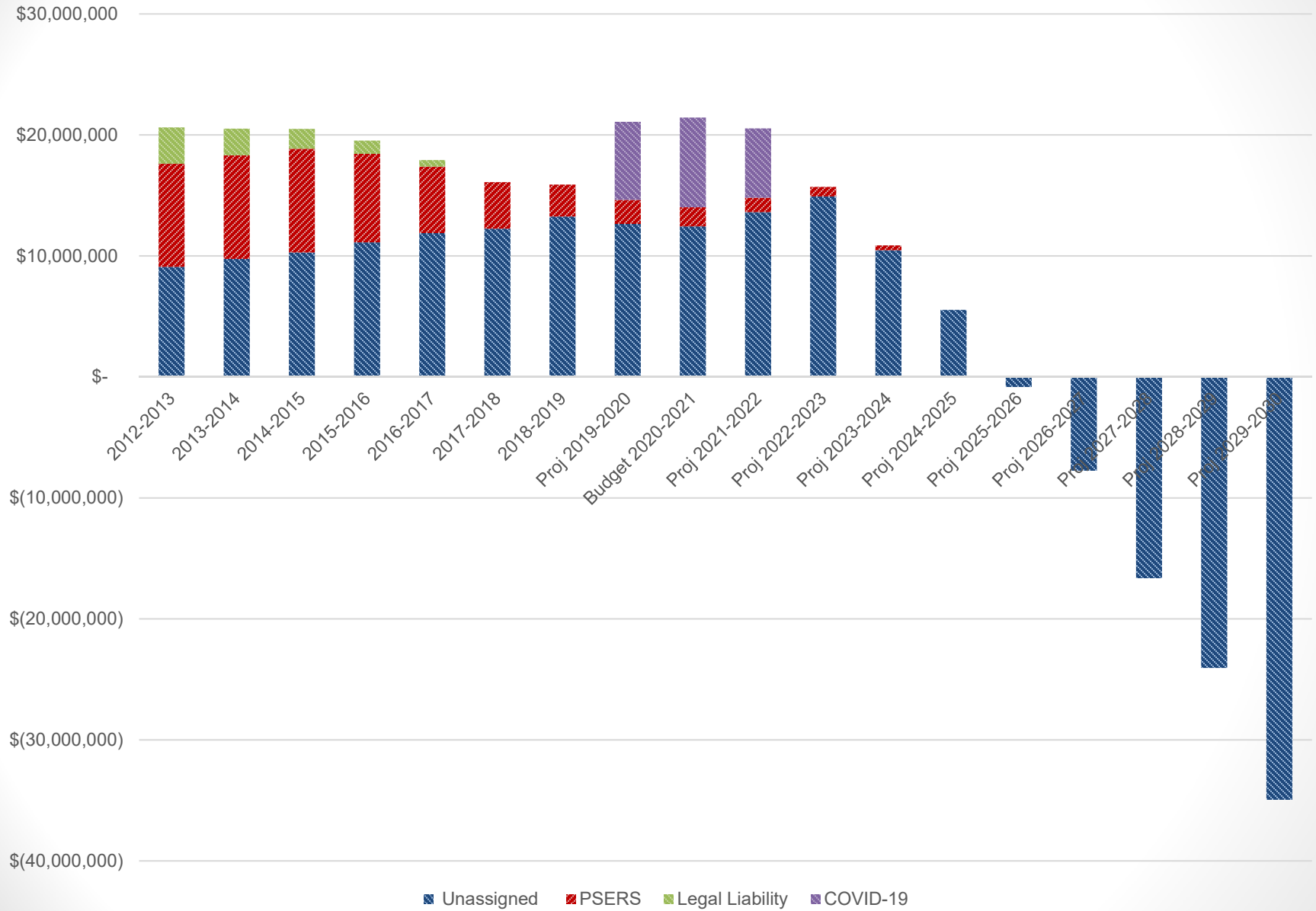
2020-21 Savings – Recurring vs. Nonrecurring

	Recurring	Non-Recurring	
Salaries	\$ 4,170,280	\$ 118,087	
Health Insurance	591,922	-	
PSEERS	1,410,910	41,147	
Other Benefits	370,552	9,760	
Professional Services	103,875	119,505	
Purchased Property Services	2,300	181,530	
Charter School Expense	-	-	
Other Purchased Services	49,802	91,432	
Supplies/Equipment	201,189	852,927	
Minor Capital Projects	-	884,839	(1)
Transfers/contingencies	1,770	-	
	<u>\$ 6,902,599</u>	<u>\$ 2,299,226</u>	

(1) Added back to expense in 2022-23

2020-21 Proposed Budget											
	A	B	C	D	E	F	G	H	I	J	K
1	Function	Salaries	Benefits	Professional Services	Purchased Property Services	Charter School	Other Purchased Services	Supplies/ Equip	Other Exp & Financing Uses	Total Expense	2020-21 % of Total Budget
2	Instructional										
3	Regular Instructional										
4	Regular Programs	\$ 35,785,780	\$ 21,769,598	\$ 51,732	\$ 35,667	\$ 4,801,928	\$ 429,887	\$ 708,410	\$ 50,960	\$ 63,633,962	
5	Federally Funded Reg Prog	493,682	197,774	-	-	-	-	15,109	-	706,565	
6	Total Regular Instructional	\$ 36,279,462	\$ 21,967,372	\$ 51,732	\$ 35,667	\$ 4,801,928	\$ 429,887	\$ 723,519	\$ 50,960	\$ 64,340,527	41%
7	Other Instructional										
8	Vocational Educ	\$ 2,195,537	\$ 1,426,735	\$ 7,315	\$ 2,366	\$ -	\$ 16,457	\$ 95,681	\$ 16,824	\$ 3,760,916	
9	Other Programs	1,209,930	656,248	86,032	4,225	-	86,835	118,776	46,326	2,208,372	
	Total Other Instructional	\$ 3,405,467	\$ 2,082,984	\$ 93,347	\$ 6,591	\$ -	\$ 103,292	\$ 214,457	\$ 63,150	\$ 5,969,287	4%
10	Special Programs- Elem/Sec										
11	Life Skills Support- Public	\$ 202,985	\$ 115,404	\$ -	\$ -	\$ -	\$ 600	\$ 7,825	\$ 450	\$ 327,264	
12	Deaf or Hearing Impaired Support	91,517	62,135	-	-	-	1,350	300	-	155,302	
13	Blind or Visually Impaired Support	126,648	102,341	-	-	-	1,720	1,900	-	232,609	
14	Speech and Language Support	674,806	420,630	-	-	-	2,500	10,936	129	1,109,001	
15	Emotional Support-Public	409,377	237,815	-	-	-	491,872	700	-	1,139,764	
16	Autistic Support	2,012,916	1,726,985	-	-	-	639,079	8,470	-	4,387,450	
17	Learning Support- Public	5,024,230	3,922,866	4,200	30,416	-	121,408	86,374	2,480	9,191,974	
18	Gifted Support	1,092,540	642,800	21,500	-	-	6,936	8,575	2,250	1,774,600	
19	Multi-Handicapped Support	281,138	227,507	-	-	-	-	300	-	508,944	
20	Special Programs- Other Support	328,431	192,303	127,100	-	1,687,164	486,500	70,300	200	2,891,998	
	Total Special Programs	\$ 10,244,587	\$ 7,650,787	\$ 152,800	\$ 30,416	\$ 1,687,164	\$ 1,751,965	\$ 195,680	\$ 5,509	\$ 21,718,907	14%
21	Support Services										
22	Support Services-Students	\$ 3,224,747	\$ 2,210,615	\$ 120,880	\$ -	\$ -	\$ 26,344	\$ 55,567	\$ 2,650	\$ 5,640,803	
23	Support Services- Instr Staff	2,805,085	2,143,245	110,089	-	-	83,867	389,708	31,225	5,563,219	
24	Support Services- Admin	4,481,800	2,691,106	906,209	18,377	-	62,406	84,900	64,975	8,309,773	
25	Support Services- Pupil Health	962,547	657,659	539,123	3,150	-	300	14,049	-	2,176,828	
26	Support Services- Business	814,812	513,547	105,828	5,000	-	61,292	32,742	12,049	1,545,270	
27	Oper & Main of Plant Serv	3,905,646	2,921,158	604,902	981,345	-	322,026	2,010,674	7,000	10,752,750	
28	Student Transportation Serv	1,377,649	1,300,705	8,429	54,535	-	3,571,325	231,672	930	6,545,244	
29	Support Services- Central	1,938,535	1,240,490	152,697	55,000	-	456,877	2,274,062	55,750	6,173,411	
30	Total Support Services	\$ 19,510,820	\$ 13,678,524	\$ 2,548,157	\$ 1,117,407	\$ -	\$ 4,584,437	\$ 5,093,374	\$ 174,579	\$ 46,707,298	30%
31	Non-instructional (Student Activities/Athletics/Comm ed)	\$ 1,313,992	\$ 632,747	\$ 698,786	\$ 24,860	\$ -	\$ 67,947	\$ 108,197	\$ 57,129	\$ 2,903,657	2%
32	Other Expenditures & Financing Uses										
33	Other								\$ 75,000	\$ 75,000	
34	Debt Service Transfer								7,469,638	7,469,638	
35	Debt Service- Referendum								5,258,125	5,258,125	
36	Capital Projects Transfer								1,384,838	1,384,838	
37	Food Service Transfer								750,000	750,000	
38	Capital Reserve Transfer								-	-	
39	Budgetary Reserve								919,022	919,022	
40	Total Other Exp & Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,856,623	\$ 15,856,623	10%
41	Total 2020-21 Budget	\$ 70,754,328	\$ 46,012,413	\$ 3,544,822	\$ 1,214,940	\$ 6,489,092	\$ 6,937,527	\$ 6,335,227	\$ 16,207,950	\$ 157,496,299	100%

General Fund Balance



State Property Tax Relief – Homestead/Farmstead

- Annual distribution of state gaming funds to provide property tax relief in the form of a homestead and farmstead exclusion for qualified taxpayers.
- On April 15, 2020 the Commonwealth's Budget Secretary certified the amount available for 2020-2021 as \$621,000,000
- Our district received a letter on May 1, as required by law, with our allocation of \$1,419,726, plus a Philadelphia tax credit of \$6,985.11.
- Amount similar to prior years
- Tax relief for taxpayers of \$109.92 (prior year was \$108.59)
- On May 22, 2020 PDE notifying amount to be recertified
- Recertified amount estimated to be 55% of certified amount

State Property Tax Relief – Homestead/Farmstead

- If approved, Fiscal Code bill (HB1083) adds \$300 million into the Property Tax Relief Fund
 - CARES Act funds
- Anticipate full reduction will be available to Homestead/Farmstead approved taxpayers

State Budget

- Fiscal Code bill (HB 1083) and School Code bill (HB 1210) are pending Governor Wolf's signature.
- Preliminary results:
 - Basic Ed - \$8,406,928
 - Essentially the same as 2019/20
 - Funding formula not updated for this year
 - Special Ed - \$3,358,750
 - Approximately \$35,000 higher than projected
 - Funding formula not updated for this year
 - School Safety Grant - \$120,000 plus additional amount
 - COVID-19 Disaster Emergency School Health and Safety Grants (spending in 2019-20)
 - CARES Act Funding
 - \$600,000

Real Estate Tax Bills

Proposed House Bill 2460

- Addresses discount and penalty periods for real estate tax bills.
- Proposes extension of the discount period by 30 days
- Proposes 6 months at face value with no penalty
- If unpaid balance remains at December 31, 2020 and bills were not issued on July 1, an additional bill would need to be issued to provide for a full 6 months to pay without penalty.

Real Estate Bills

Potential Impact of House Bill 2460

Tax Bill Components	Assuming No Change in Tax Law	Potential Impact of House Bill 2460
Discount Period	Aug 1 - Sept 30, 2020	Aug 1 - Oct 31, 2020
Face Period	Oct 1 - Nov 30, 2020	Nov 1 - Dec 31, 2020
Penalty Period	Nov 16 - Dec 31, 2020	No penalty period
Penalty for late payment	10%	0%

Real Estate Tax bills

- Projected bill date: August 1, 2020
- Proposed installment dates:
 - September 1; November 1; December 1
 - Up to four installment payments allowed
 - No discount is permitted with installment payments
- Discount percentage: 2%
 - Minimum of 2% discount allowed
- Penalty: 10%
 - Up to 10% penalty allowed
 - Approximately \$200,000 in penalties collected in 2019-20

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
- June 15, 2020 –Budget Hearing and full Board Meeting
- June 29, 2020 –Full Board Meeting
- Approve final budget

Questions

(19)

State College Area School District

