

State College Area School District



2020-21 Budget Development

**State College Area
School District
May 18, 2020**

Recommendation

- May 18 Recommendation :
 - Approve Proposed Final Budget
- June 29
 - Approve Final Budget
 - Set Tax Rate

2019-2020 Revenue

	Revised 5/12/20
LOCAL SERVICES TAX	
CURRENT REAL ESTATE TAX	\$99,954,436
REAL ESTATE TAX-REFERENDUM DEBT	4,946,210
EARNED INCOME TAX	18,000,000
REALTY TRANSFER TAX	2,700,000
DELINQUENT REAL ESTATE TAX	750,000
INTERIM REAL ESTATE TAX	1,150,000
IDEA-B	761,373
PAYMENTS IN LIEU OF TAX	674,646
LOCAL SERVICES TAX	390,000
TUITION	1,188,356
MISC LOCAL REVENUE	1,789,620
PUBLIC UTILITY REALTY TAX	117,190
INTEREST ON INVESTMENTS	<u>1,000,000</u>
TOTAL LOCAL	133,421,831
STATE	
BASIC ED INSTR SUBSIDY	8,407,038
SPECIAL ED REVENUE-REGULR	3,323,982
REV. FOR RETIREMENT	12,026,449
REV. FOR SOCIAL SECURITY	2,687,058
PROPERTY TAX REDUCTION	1,423,580
TRANSPORTATION REVENUE	800,000
BOND REIMBURSEMENTS	278,771
HEALTH SERVICES REVENUE	140,000
READY TO LEARN GRANT	310,013
SAFETY GRANTS	30,000
VOCATIONAL EDUCATION	250,379
OTHER STATE REVENUE	901,112
TUITION - 1305/1306	<u>130,000</u>
TOTAL STATE	30,708,382
FEDERAL	
TITLE I REVENUE	749,932
TITLE II REVENUE	165,800
ACCESS FUNDS	377,764
OTHER FEDERAL REVENUE	74,168
TITLE III REVENUE	<u>45,572</u>
TOTAL FEDERAL	1,413,236
TOTAL REVENUE	<u>\$165,543,449</u>

2019-2020 Expense

	Revised 5/12/20
Salaries	\$71,683,546
Health Insurance	13,592,321
PSERS	24,052,898
Other Benefits	6,934,315
Professional Services	3,052,706
Purchased Property Services	1,369,864
Charter School Expense	6,000,513
Other Purchased Services	6,322,611
Supplies/Equipment	7,462,503
Minor Capital Projects	2,258,549
Transfers/contingencies	1,565,844
Debt Service	7,453,050
Debt Service - Referendum Debt	5,258,625
Transfer to Capital Projects-DCED Grant	901,112
Total Expense before transfer to capital reserve and fund balance use	157,908,457
Transfer to Capital Reserve	1,783,500
Fund Balance Assignment/Use (COVID-19)	6,461,000
Fund Balance Use (PSERS/Legal)	-
Total Transfer to Capital Reserve and fund balance use	8,244,500
Total Expenses and Transfers	<u>\$ 166,152,957</u>

2020-2021 Revenue

Revised 5/12/2020

LOCAL SERVICES TAX	
CURRENT REAL ESTATE TAX	\$ 98,702,922
REAL ESTATE TAX-REFERENDUM	
DEBT	4,945,740
EARNED INCOME TAX	16,200,000
REALTY TRANSFER TAX	1,350,000
DELINQUENT REAL ESTATE TAX	850,000
INTERIM REAL ESTATE TAX	400,000
IDEA-B	740,000
PAYMENTS IN LIEU OF TAX	674,646
LOCAL SERVICES TAX	392,000
TUITION	1,511,092
MISC LOCAL REVENUE	518,409
PUBLIC UTILITY REALTY TAX	117,190
INTEREST ON INVESTMENTS	250,000
TOTAL LOCAL	126,651,998
STATE	
BASIC ED INSTR SUBSIDY	8,407,038
SPECIAL ED REVENUE-REGULR	3,323,982
REV. FOR RETIREMENT	11,948,339
REV. FOR SOCIAL SECURITY	2,652,226
PROPERTY TAX REDUCTION	1,426,711
TRANSPORTATION REVENUE	800,000
BOND REIMBURSEMENTS	751,246
HEALTH SERVICES REVENUE	140,000
READY TO LEARN GRANT	310,013
SAFETY GRANTS	35,000
VOCATIONAL EDUCATION	100,000
OTHER STATE REVENUE	-
TUITION - 1305/1306	130,000
TOTAL STATE	30,024,555
FEDERAL	
TITLE I REVENUE	700,000
TITLE II REVENUE	159,772
ACCESS FUNDS	250,000
OTHER FEDERAL REVENUE	60,000
TITLE III REVENUE	35,000
TOTAL FEDERAL	1,204,772
TOTAL REVENUE	\$157,881,325

2020-2021 Expense

	Revised 5/12/20
Salaries	\$70,754,328
Health Insurance	15,230,533
PSERS	23,896,677
Other Benefits	6,885,204
Professional Services	3,544,822
Purchased Property Services	1,214,940
Charter School Expense	6,489,092
Other Purchased Services	6,937,527
Supplies/Equipment	6,335,227
Minor Capital Projects	1,384,838
Transfers/contingencies	2,095,349
Debt Service	7,469,638
Debt Service - Referendum Debt	5,258,125
Transfer to Capital Projects-DCED Grant	-
Total Expense before transfer to capital reserve and fund balance use	<hr/> 157,496,300
Transfer to Capital Reserve	
Fund Balance Use (COVID-19)	951,000
Fund Balance Use (PSERS/Legal)	(396,159)
	<hr/> 554,841
Total Transfer to Capital Reserve and fund balance use	
Total Expenses and Transfers	<u><u>\$ 158,051,141</u></u>

2020-2021 Budget

- Assumptions:
 - SCASD in-person fall 2020
- Dependent Upon:
 - County “green status”
 - PA Sec. of Education and Health
 - Local emergency management team
 - Medical and health professionals

2020-2021 Revenue

- Local \$9.6 million projected lower
 - Compared to March 2
- Dependent upon Penn State's fall status
 - Real estate tax
 - Taxpayers unable to pay
 - New properties not added to tax rolls
 - Pending settlements – tax appeals
 - Earned income tax
 - Unemployment
 - Business closures (self-employment tax)

2020-2021 Revenue

- Local
 - Projection increase \$132,998 (compared to April 27)
 - Assessed value adjusted
 - Decrease in Community Education/CEEL revenue
- State and Federal
 - Decreased funding offset by CARES

2020-2021 Expense

- Staffing Decisions
 - Revenue – local and state sources
 - SCASD Learning model
 - Cost implications
 - Cleaning/disinfecting
 - Social distancing
 - Changes to school operations
 - Limited contingency

2020-2021 Expense - Staffing

- Avoid furloughs
- Vacant positions – temporarily accommodated
- \$2.4 million estimated reductions
- Clearer enrollment picture
- Required positions – internal postings only

2020-2021 Expense - Other

- Deferred or alternate solutions
- \$2.5 million in reductions
- Food service loss
 - Requires additional \$550,000

Staffing

- 27 teaching and administrative retirements and resignations
 - 11 required to be replaced
 - Expect 8 replaced with existing employees
 - 10 positions on hold
 - 6 positions not funded

Non-Personnel Expenses

- Equipment, professional development, maintenance, supplies, conference and travel reductions/deferral
- Rate freeze – contracted bus carriers
- 10% reduction in school building budgets
- Defer maintenance and supplies in physical plant
- Combine middle schools sports/activities due to participation; defer athletic uniform purchases
- Rate freeze for contracted carriers (transportation)
- Travel budgets reduced 50%
- Reduce capital reserve transfer

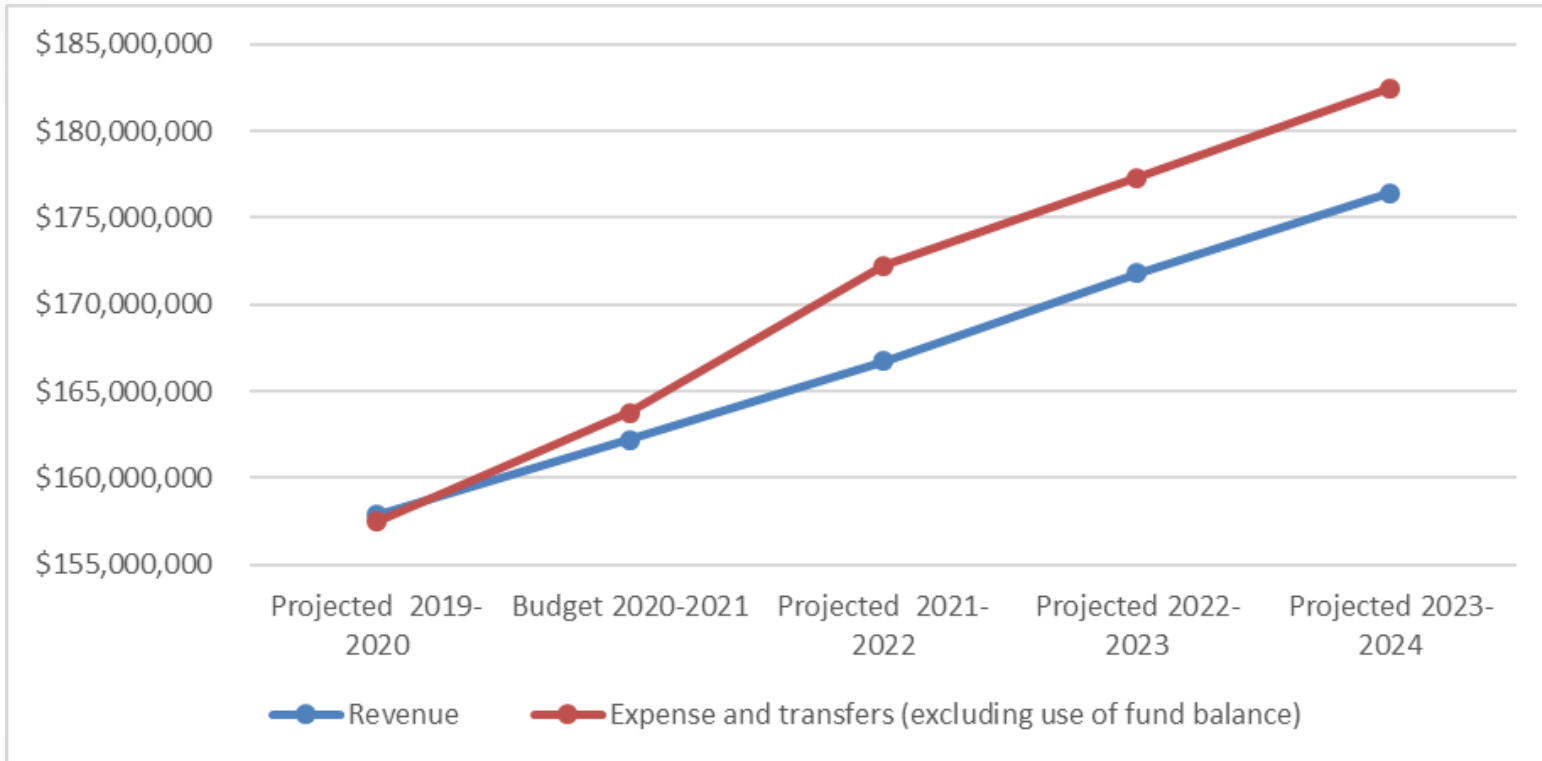
Fund Balance

	Projected 2019-2020	Budget 2020-2021	Projected 2021-2022	Projected 2022-2023	Projected 2023-2024	Projected 2024-2025
Beginning Fund Balance	\$13,253,860	\$12,644,352	\$12,474,536	\$12,971,167	\$13,570,558	\$8,434,965
Revenue	165,543,449	157,881,326	162,199,287	166,725,856	171,787,745	176,424,296
Local	133,421,831	126,651,999	130,534,624	134,456,424	139,006,846	143,133,372
State	30,708,382	30,024,555	30,559,890	31,164,659	31,676,127	32,186,152
Federal	1,413,236	1,204,772	1,104,772	1,104,772	1,104,772	1,104,772
Expense and transfers (excluding use of fund balance)	159,691,957	157,496,300	163,777,814	172,255,624	177,319,497	182,446,076
Revenue less expense	5,851,492	385,025	(1,578,528)	(5,529,768)	(5,531,752)	(6,021,780)
Funding/(Use) of Assigned Fund Balance (COVID-19)	6,461,000	951,000	(1,679,000)	(5,733,000)	-	-
(Use) of Assigned Fund Balance (PSERS/Legal Liability)	0	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)
Incr (Decr) in Assigned Fund Balance	6,461,000	554,841	(2,075,159)	(6,129,159)	(396,159)	(396,159)
Change in Unassigned General Fund Balance	(609,508)	(169,816)	496,631	599,391	(5,135,593)	(5,625,621)
Ending Unassigned Fund Balance	<u>\$12,644,352</u>	<u>\$12,474,536</u>	<u>\$12,971,167</u>	<u>\$13,570,558</u>	<u>\$8,434,965</u>	<u>\$2,809,344</u>

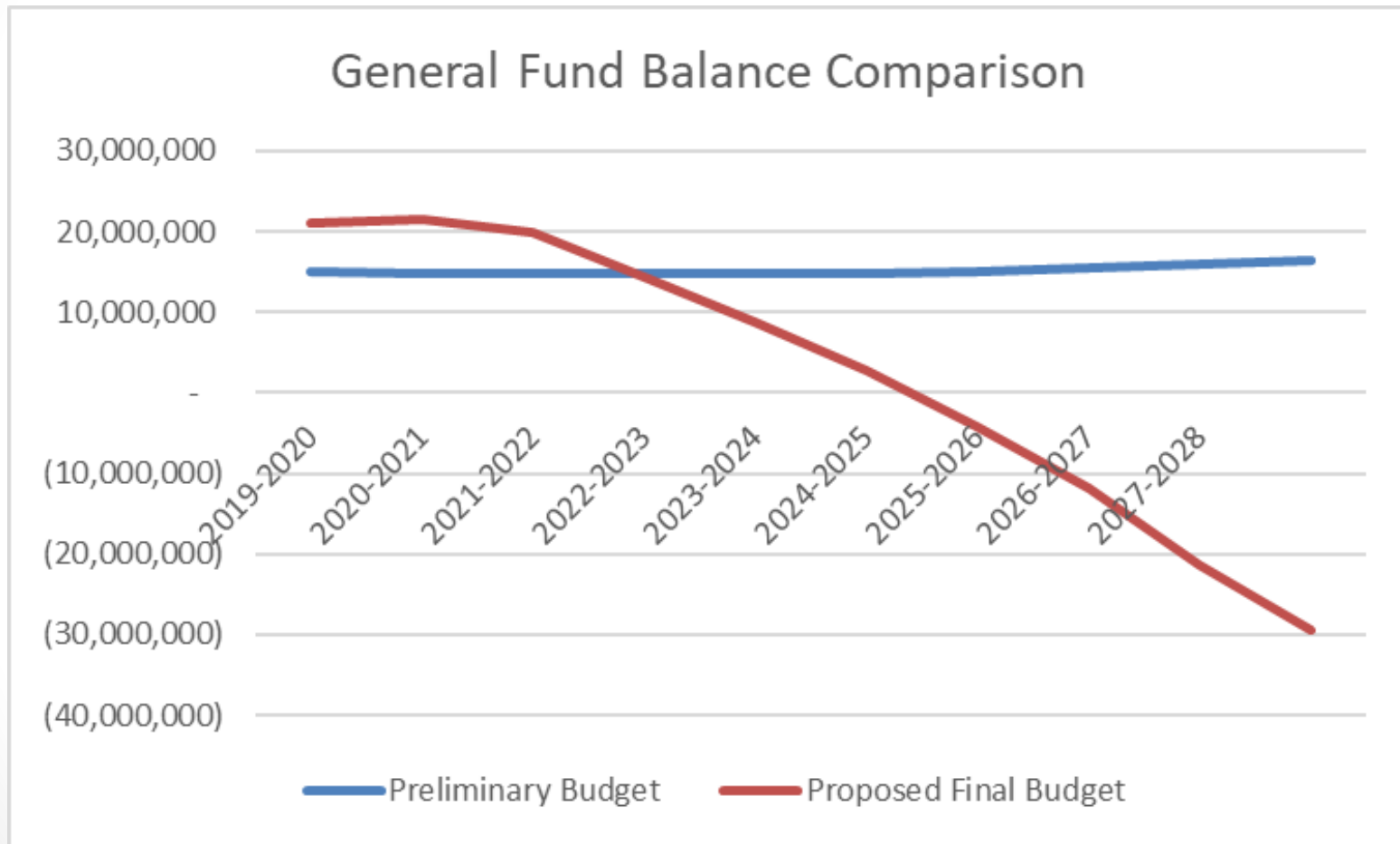
Unassigned Fund Balance

	Projected 2019-2020	Budget 2020-2021	Projected 2021-2022	Projected 2022-2023	Projected 2023-2024	Projected 2024-2025
<u>General Fund - Unassigned</u>						
Beginning Balance	\$13,253,860	\$12,644,352	\$12,474,536	\$12,971,167	\$13,570,558	\$8,434,965
Revenue less Expense	(609,508)	(169,816)	496,631	599,391	(5,135,593)	(5,625,621)
General Fund - Unassigned	<u>12,644,352</u>	<u>12,474,536</u>	<u>12,971,167</u>	<u>13,570,558</u>	<u>8,434,965</u>	<u>2,809,344</u>
% of Expense (subject to 8% cap)	7.92%	7.92%	7.92%	7.88%	4.76%	1.54%

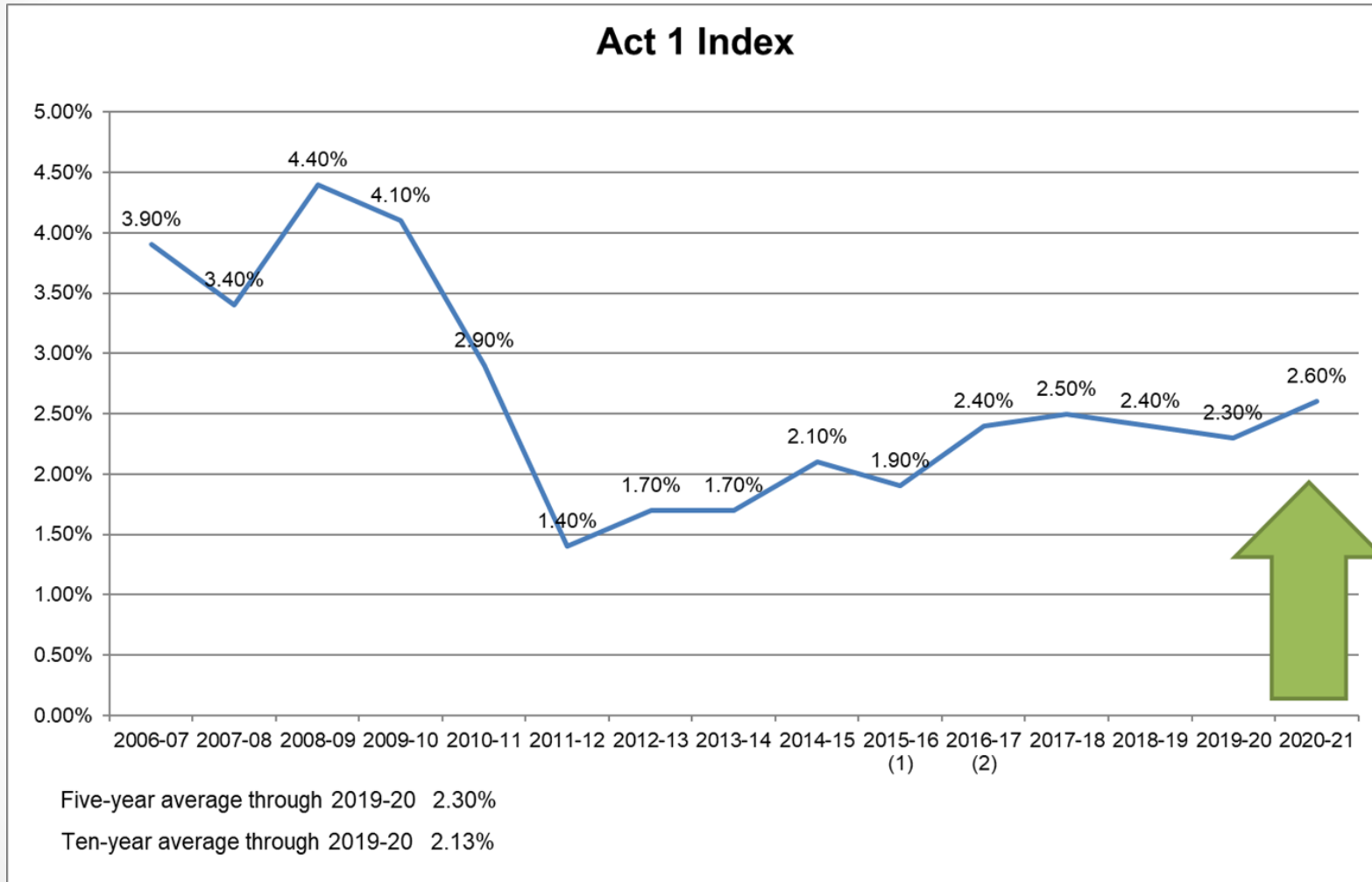
Revenue vs. Expense Growth



Projected General Fund Balance



Act 1 Index



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
 - 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

State College Area School District

