

To prepare students for lifelong success through excellence in education



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To: Board of Directors
 From: Robert O'Donnell, Randy Brown and Donna Watson
 Subject: 2020-2021 Budget Development
 Date: April 24, 2020

As discussed in our most recent [update](#), the COVID-19 pandemic has significantly impacted our budget development process negatively. In that update, we outlined changes in our financial projections. While numerous factors continue to impact our future, this update assumes Penn State University Park students are in session this fall.

Although we've been working on our budget proposal for the 2020-2021 year, this pandemic caused us to go back to the drawing board. Beginning with our April 6 meeting, we will have seven budget-focused meetings with the Board. Following this new budget development period, we will propose the Board takes action on our proposed budget. The administration's goal is to develop a budget proposal that minimizes disruptions of student learning experiences.

To be ready for different situations, we are preparing a second budget scenario that takes into account Penn State continuing remote learning this fall. Although we hope not to see this circumstance materialize, we need to plan for that possibility.

Revenue - Budget Year 2020-2021

District revenue derives from three sources: local, state and federal. As is typical, we continue to include a flat revenue projection at the state and federal level. For now, this approach may be considered a best-case scenario. Reports from the state government and Pennsylvania Association of School Business Officials (PASBO) have cautioned that districts might receive less revenue than previous years. Therefore, we are projecting that any lost revenue will be offset by funding from the [CARES Act](#). While this is federal revenue, it flows through the state before arriving in school districts, which creates some uncertainty since the state has not yet announced distribution channels or amounts.

Because local sources accounted for 81 percent of district revenue in 2019-2020, a local economic downturn is very harmful to our district. Real estate and earned income taxes make up 93 percent of our local revenue at 80 percent and 13 percent, respectively. (See Charts A, B, and C.)

Chart A

Local, State and Federal

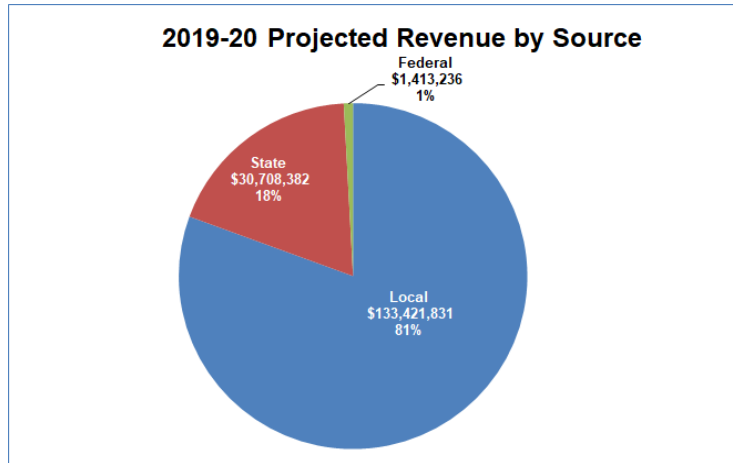


Chart B

Local Revenue Detail

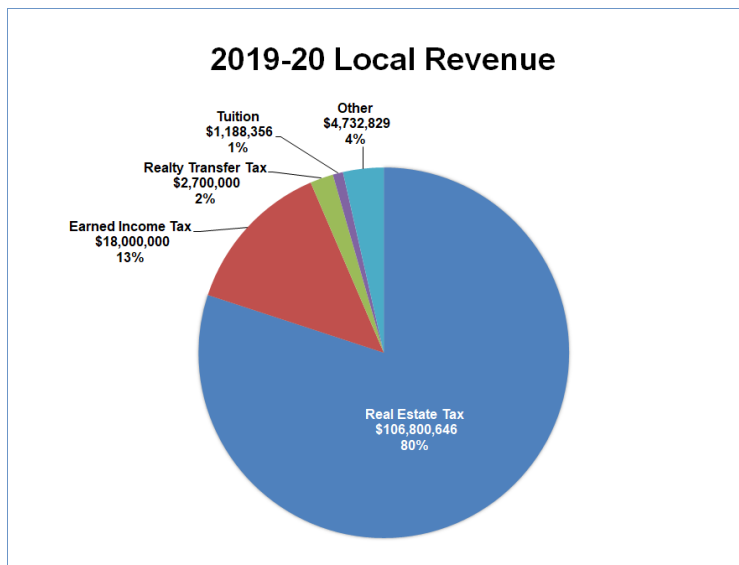
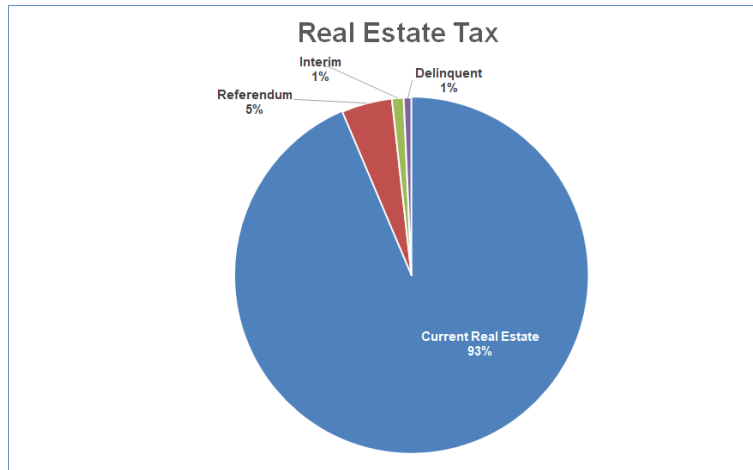


Chart C
Components of Real Estate Tax Revenue



Real Estate Tax Revenue

This revenue is generated by applying the Board-established tax rate to the assessed value of properties, determined by the county. Changes in the amount of revenue result from changes in the tax rate, additions or deletions to the assessed value of taxable properties, and the actual tax collected. The projected tax rate for the 2020-21 budget is 46.0875 mills, the same as in 2019-2020. The assessed value of taxable properties can change from year-to-year in multiple ways:

- Properties added and deleted to the tax roles by new construction or demolition
- Tax appeal from property owners resulting in adjustments of the assessed value

Assessed Value

Over the past number of years, our average assessed value has grown by 1.20 percent, the rate of growth generally included in our projections. The assessed value growth was higher than average at 1.95 percent according to the July 2019 tax roles. As a result of the slowing economy and a higher-than-average expected number of real estate tax assessment appeals, our budget includes only .80 percent assessed value growth.

Collection Rate

Another factor on real estate tax revenue is property owners ability to pay. Traditionally, our collection percentage is above 97 percent. Unpaid tax bills are turned over to the county tax collection office on Dec. 31 of each year. In the current economic climate, the collection percentage is expected to decrease to 95 percent based upon historical data, resulting in lower tax revenue.

Table 1

Assumption	3/2/2020 Projection	Revised Projection	Real Estate Revenue Decrease
Collection %	97.1%	95.0%	(\$2,306,580)
Assessed Value Growth	1.2%	0.8%	(\$425,125)
Tax Rate Increase	2.0%	0%	(\$2,149,409)
Total Decrease in Budgeted Real Estate Revenue			(\$4,881,124)

Table 1 shows the impact of these factors on our revenue projections.

Earned Income Tax

Earned income tax (EIT) revenue comes to the district primarily through the Centre Tax Agency. The historical average growth of EIT is 2.50 percent. Due to the economic impact of the pandemic, we are not predicting this rate in the 2020-2021 budget. Based upon local and state-wide predictions, we are planning for a 10 percent drop, which is about \$1,800,000. Fortunately, earned income tax only accounts for 11 percent of total revenue.

Real Estate Transfer

The real estate transfer tax is expected to decline from 1.6 percent of the total budget to .9 percent, equating to \$1.3 million less, as a result of fewer properties being sold.

Delinquent Real Estate Tax

Because of job losses and other economic factors, we expect an increase in delinquent real estate taxes owed to the district. We will be projecting the tax revenue to increase from .5 percent of the total budget to .7 percent, equating to \$350,000 more, as a result of higher unpaid tax bills.

Revenue - Future Years 2021-2023

The impact of the economic decline that began last month cannot be forecasted with great certainty. What is known is that this decline has been more impactful than the previous economic slides in 2008 and 2011. Economic predictions, including those from PASBO, have warned that districts should prepare for a slower, longer recovery. In preparing revenue projections, we have maintained lower-than-average growth assumptions for our revenue in 2021-2022 and 2022-2023 for real estate, earned income, and realty transfer tax.

Real Estate Tax Revenue

Traditionally, our average tax increase has been 2 percent, and now we are working with a 1 percent tax rate increase for the next two years. Under this scenario, we may require additional cost-reduction measures depending upon the length of economic downturn related to the change in assessed value and collection rates.

Other Impacted Revenue

- Local services tax: Although this revenue stream is marginal compared to others; however, increased unemployment is expected to slow this revenue.
- Payment in Lieu of Tax: Penn State makes a payment in lieu of tax to the district for facilities, or portions of their facilities, not used in their overall mission and leased by third parties. Their closure may impact this revenue stream in the future.
- Property tax reduction (homestead/farmstead revenue): This state revenue source is guaranteed for 2020-2021; however the future years may be impacted by the economic conditions.
- Delinquent Real Estate Tax: Unlike the majority of our revenue, due to the decline in the collection of real estate tax the delinquent tax collected would be expected to increase in the future years.

Expenses - Budget Year 2020-2021

The current budget proposal includes salary and benefit expenses that have been adjusted to reflect current projections for all employee groups. In addition, health insurance costs have been adjusted to reflect the negotiated rate.

Future updates will include adjustments to expenses that are both recurring and non-recurring in nature. In the interest of closing the gap between revenue and expense, the budget does not include a transfer to the capital reserve fund.

The proposed reductions are expected to be reviewed with the finance committee at the upcoming meeting, May 7.

Expenses - Future Years 2021-2023

Salary and Benefits

Salary and benefit expenses represented 70 percent of the district budget in 2019-2020 and, therefore, require careful analysis moving forward.

Health insurance rates typically increase between 10 and 15 percent each year and have been estimated accordingly in our projections. PSERS employer contribution, or retirement expense, during the projection period, is estimated at 34 percent to 38 percent in 2029-2030. Recent discussion in Harrisburg warns that low earnings levels on the PSERS fund investments could

result in even higher employer contribution rates. We are unable to quantify this potential impact in our projections at this time.

Capital Reserve Transfer

The capital reserve transfer has been returned to the projections in 2022-2023. We do not make this recommendation lightly. The district has worked diligently to fund capital project transfers in order to improve and plan for the most necessary facility needs. In this spirit, we will continue to evaluate avenues to support this fund in future years.

Multi-year Projections

During the budget development process, the administration prepares multi-year projections several times. These projections include both the general and capital reserve fund, looking at revenue, expense and fund balance.

For the 2020-2021 budget, we are working to make proposed cost reductions which are both recurring and non-recurring. We will continue to monitor the situation, keeping in mind the longer the economy takes to recover, the more likely we'll need additional recurring reductions in future years.

We are tentatively projecting the general fund balance to be as much as \$77 million in deficit for 2029-2030. This is not a concrete estimate because many factors can occur over a 10-year period. In light of our current situation, we recommend focusing on a five-year duration. Our goal is to adjust the district's expenses in the near term to achieve a positive ending fund balance at the end of 2024-2025. We believe this is a more strategic approach than using the 10-year projection.

Additional Factors

One particular economic indicator which has a significant impact on the district is Penn State, which recently announced significant operational changes in response to the economy. We have prepared initial revenue projections should Penn State remain online for the fall. These projections, available on page 23, show a potential further decrease in local revenue of \$9.2 million in 2020-2021. Until Penn State announces their decision, we will continue to prepare for the possibility of further reductions.

As mentioned previously, we are estimating CARES funding will maintain level funding in the 2020-2021 budget year for state and federal funding. However, since CARES funding is expected to be one-time money, we will need to address declines in state and federal funding in future years.

As previously noted, PASBO continues to provide insight and analysis to the administration during these challenging times. PASBO materials are attached to this memo for your review, which also provide support for the various factors and drivers in our projections.

Timeline

Here is the timeline of meetings to understand all aspects of our budget proposal:

- April 6, 2020 – Full Board Meeting
- April 21, 2020 – Finance Committee
- April 27, 2020 – Full Board Meeting
- May 4, 2020 – Full Board Meeting
- May 7, 2020 – Finance Committee
- May 18 – Full Board Meeting
- June 1, 2020 – Full Board Meeting
- June 15, 2020 – Budget Hearing and full Board Meeting
- June 29, 2020 – Full Board Meeting

Attachment A
Impact of Real Estate Tax
Assumption Changes

SCASD
 Impact of Real Estate Tax Assumption Changes
 3/2/2020 vs. 4/27/2020

	Budget 2020- 2021	Projected 2021- 2022	Projected 2022- 2023	Projected 2023- 2024	Projected 2024- 2025	Projected 2025- 2026	Projected 2026- 2027	Projected 2027- 2028	Projected 2028- 2029	Projected 2029- 2030	2020-21 through 2029- 30
Coll % 97.1% to 96%	(2,306,580)	(1,239,994)	-	-	-	-	-	-	-	-	(3,546,575)
Assessed value from 1.2% to .8%	(425,135)	(867,362)	(1,327,182)	(1,369,963)	(1,414,128)	(1,459,712)	(1,506,778)	(1,555,364)	(1,605,504)	(1,657,269)	(13,188,397)
Tax rate from 2.0% to 0%/1%/1% in first 3 yrs	(2,149,409)	(3,306,495)	(4,526,262)	(4,672,479)	(4,824,001)	(4,980,963)	(5,140,997)	(5,306,692)	(5,478,190)	(5,655,638)	(46,041,126)
	(4,881,124)	(5,413,852)	(5,853,445)	(6,042,442)	(6,238,129)	(6,440,675)	(6,647,776)	(6,862,056)	(7,083,694)	(7,312,907)	(62,776,098)
4/21/2020 Projection	98,499,105	101,503,425	104,715,608	108,296,132	111,988,533	115,805,503	119,742,989	123,809,187	128,002,712	132,332,290	
3/16/2020 Projection	103,380,229	106,917,277	110,569,052	114,338,574	118,226,661	122,246,178	126,390,765	130,671,242	135,086,407	139,645,197	
	(4,881,124)	(5,413,852)	(5,853,444)	(6,042,442)	(6,238,129)	(6,440,675)	(6,647,776)	(6,862,055)	(7,083,694)	(7,312,907)	(62,776,098)

Attachment B
Financial Statements from
Finance Committee 4/21/2020

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	State College Area School District														
2	General Fund Revenue														
3	Projected 2019-20														
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	A	B	C	D	H	I	J	K	L
1	State College Area School District								
2	General Fund Expenses and Fund Balance Transfers								
3	Projected 2019-20								
4									
5									
6		Board Presentation 12/2/19	Board Presentation 3/2/20	4/6/2020 Revised Projection	4/17/2020	Change			
7	Salaries	\$72,392,841	\$72,397,353	\$72,397,353	\$71,683,546	(\$713,807)	adjusted estimates		
8	Health Insurance	13,800,964	13,542,321	13,542,321	13,592,321	50,000	adjusted estimates		
9	PSERS	24,290,626	24,292,408	24,292,408	24,052,898	(239,510)	reduced salaries		
10	Other Benefits	7,029,120	6,987,128	6,987,128	6,934,315	(52,813)	reduced salaries		
11	Professional Services	3,686,457	3,532,635	3,532,635	3,052,706	(479,929)	field trip and security costs		
12	Purchased Property Services	1,434,744	1,450,911	1,450,911	1,369,864	(81,047)			
13	Charter School Expense	6,921,425	6,000,513	6,000,513	6,000,513	-			
14	Other Purchased Services	6,598,350	6,657,764	6,657,764	6,322,611	(335,153)	contracted carriers, printing/copier/postage, conference travel		
15	Supplies/Equipment	7,980,293	8,182,229	8,182,229	7,462,503	(719,726)	utilities, fuel and hold on equipment purchases		
16	Minor Capital Projects	2,225,174	2,258,549	2,258,549	2,258,549				
17	Transfers/contingencies	1,667,512	1,655,449	1,655,449	1,565,844	(89,605)	field trip/food service transfer		
18	Debt Service	7,453,050	7,453,050	7,453,050	7,453,050				
19	Debt Service - Referendum Debt	5,258,625	5,258,625	5,258,625	5,258,625				
20	Transfer to Capital Projects-DCED Grant	632,900	901,112	901,112	901,112				
21	Total Expense before transfer to capital reserve and fund balance use	161,372,081	160,570,047	160,570,047	157,908,457	(2,661,590)			
22									
23	Transfer to Capital Reserve	3,639,500	7,311,500	1,783,500	1,783,500				
24	Fund Balance Assignment/Use (COVID-19)			3,920,000	6,461,000	2,541,000	designated fund balance		
25	Fund Balance Use (PSERS/Legal)	(659,620)	(659,620)	(659,620)	-	659,620	retain for higher PSERS rates in the future		
26	Total Transfer to Capital Reserve and fund balance use	2,979,880	6,651,880	5,043,880	8,244,500	3,200,620			
27									
28	Total Expenses and Transfers	\$ 164,351,961	\$ 167,221,927	\$ 165,613,927	\$ 166,152,957	\$ 539,030			
29									
30									
31	Total Debt Service (General + Capital Reserve Fund)								
32	Debt Service Paid from Capital Reserve (a)	\$4,079,915	\$4,079,915	\$4,079,915	\$4,079,915				
33	Total Debt Service (including referendum debt)	\$16,791,590	\$16,791,590	\$16,791,590	\$16,791,590				
34									
35	Interest included in Debt Service	\$9,111,590	\$9,111,590	\$9,111,590	\$9,111,590				
36	<i>(a) Debt service for Series 2018 and Series 2019 Bonds for all years is included in the Capital Reserve Fund.</i>								

	A	B	C	D	P	Q	R	S
1	State College Area School District							
2	General Fund Revenue							
3	Budget 2020-21							
4								
5								
6		Preliminary	Board	Revised				
7		Budget -	Presentation	Budget				
8		12/2/19	3/2/20	4/6/2020	4/17/2020		Change	
9	LOCAL SERVICES TAX							
10	CURRENT REAL ESTATE TAX	\$ 103,380,229	\$ 103,380,229	98,499,105	98,499,105		0	
11	REAL ESTATE TAX-REFERENDUM DEBT	4,945,740	4,945,740	4,945,740	4,945,740		0	
12	EARNED INCOME TAX	19,320,000	19,320,000	17,000,000	16,200,000		(800,000) reduced collection	
13	REALTY TRANSFER TAX	2,200,000	2,400,000	1,350,000	1,350,000		-	
14	DELINQUENT REAL ESTATE TAX	1,100,000	1,100,000	900,000	850,000		(50,000) reduced collection	
15	INTERIM REAL ESTATE TAX	600,000	700,000	400,000	400,000		-	
16	IDEA-B	740,000	740,000	740,000	740,000		-	
17	PAYMENTS IN LIEU OF TAX	664,382	674,646	674,646	674,646		-	
18	LOCAL SERVICES TAX	410,000	392,000	392,000	392,000		-	
19	TUITION	1,420,000	1,581,910	1,581,910	1,581,910		-	
20	MISC LOCAL REVENUE	611,705	518,409	518,409	518,409		-	
21	PUBLIC UTILITY REALTY TAX	117,190	117,190	117,190	117,190		0	
22	INTEREST ON INVESTMENTS	250,000	400,000	250,000	250,000		-	
23	TOTAL LOCAL	135,759,245	136,270,123	127,368,999	126,519,000		-849,999	
24	STATE							
25	BASIC ED INSTR SUBSIDY	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		-	
27	REV. FOR RETIREMENT	12,669,751	12,771,211	12,690,075	12,188,467		(501,608) reduced salaries expense	
28	REV. FOR SOCIAL SECURITY	2,791,742	2,833,564	2,815,552	2,706,581		(108,971) reduced salaries expense	
29	PROPERTY TAX REDUCTION	1,423,580	1,423,580	1,423,580	1,423,580		(0)	
30	TRANSPORTATION REVENUE	800,000	800,000	800,000	800,000		-	
31	BOND REIMBURSEMENTS	744,972	751,246	751,246	751,246		(0)	
32	HEALTH SERVICES REVENUE	140,000	140,000	140,000	140,000		-	
33	READY TO LEARN GRANT	310,013	310,013	310,013	310,013		-	
34	SAFETY GRANTS	-	35,000	35,000	35,000		-	
35	VOCATIONAL EDUCATION	100,000	100,000	100,000	100,000		-	
36	OTHER STATE REVENUE	-	-	-	-		-	
37	TUITION - 1305/1306	130,000	130,000	130,000	130,000		-	
38	TOTAL STATE	30,841,079	31,025,635	30,926,486	30,315,907		-610,579	
39	FEDERAL							
40	TITLE I REVENUE	600,000	700,000	700,000	700,000		-	
41	TITLE II REVENUE	156,489	159,772	159,772	159,772		-	
42	ACCESS FUNDS	250,000	250,000	250,000	250,000		-	
43	OTHER FEDERAL REVENUE	60,000	60,000	60,000	60,000		-	
44	TITLE III REVENUE	35,000	35,000	35,000	35,000		-	
45	TOTAL FEDERAL	1,101,489	1,204,772	1,204,772	1,204,772		0	
46	TOTAL REVENUE	\$167,701,813	\$168,500,530	\$159,500,257	\$158,039,679		-\$1,460,578	

	A	B	C	D	K	L	M	N	O
1	State College Area School District								
2	General Fund Expenses and Fund Balance Transfers								
3	Budget 2020-21								
4									
5		Preliminary Budget - 12/2/19	Board Presentation 3/2/20			Revised Budget 4/6/2020		4/17/2020	Change
6	Salaries	\$74,476,245	\$75,591,943			75,111,419		72,204,388	(2,907,031)
7	Health Insurance	15,595,089	15,518,975			15,822,457		15,509,327	(313,130)
8	PSERS	25,339,502	25,542,422			25,380,149		24,376,933	(1,003,216)
9	Other Benefits	7,204,682	7,367,223			7,317,938		7,085,376	(232,562)
10	Professional Services	3,676,878	3,968,202			3,768,202		3,768,202	-
11	Purchased Property Services	1,459,135	1,398,770			1,398,770		1,398,770	-
12	Charter School Expense	7,040,000	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	-
14	Supplies/Equipment	7,672,204	7,389,498			7,389,498		7,389,498	-
15	Minor Capital Projects	2,269,677	2,269,677			2,269,677		2,269,677	-
16	Transfers/contingencies	1,321,017	1,547,119			1,547,119		1,547,119	-
17	Debt Service	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	-
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	(4,455,938)
21									
22	Transfer to Capital Reserve	2,248,000	2,248,000			-			
23	Fund Balance Use (COVID-19)					(3,920,000)		(3,606,000)	314,000
24	Fund Balance Use (PSERS/Legal)	(396,159)	(396,159)			(396,159)		(396,159)	0
25	Total Transfer to Capital Reserve and fund balance use	1,851,841	1,851,841			(4,316,159)		(4,002,159)	314,000
26									
27	Total Expenses and Transfers	\$167,309,394	\$168,443,537			\$ 161,986,936		\$ 157,844,998	\$ (4,141,938)

	A	B	C	D	E	F	G	H	I	J	K
1	State College Area School District										
2	General Fund Activity										
3	Budget 2020-21										
4											
13											
14		Preliminary	Board	Board	4/16/20 vs.			4/16/20 vs.		4/16/20 vs.	
15		12/2/19	Presentation	Presentation	3/2/20		4/16/2020	4/6/20		3/2/20	
16	Beginning Fund Balance	\$13,069,150	\$13,297,879	\$12,859,894	(\$437,985)		\$12,644,352	(\$215,542)		(\$653,527)	a
17											
18	Revenue	167,701,813	168,500,530	159,500,257	(9,000,272)		158,039,679	(1,460,578)		(10,460,851)	
19											
20	Local	135,759,245	136,270,123	127,368,999	(8,901,124)		126,519,000	(849,999)		(9,751,123)	
21	State	30,841,079	31,025,635	30,926,486	(99,149)		30,315,907	(610,579)		(709,728)	
22	Federal	1,101,489	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	(2,536,602)		161,847,156	(4,455,938)		(6,992,540)	
25	Revenue less expense	(3,740)	(339,168)	(6,802,838)	(6,463,671)		(3,807,478)	2,995,359		(3,468,311)	b
26											
27	Funding (Use) of Assigned Fund Bal (COVID-19)	0	0	(3,920,000)	(3,920,000)		(3,606,000)	314,000		(3,606,000)	c
28	Funding (Use) of Assigned Fund Bal (PSERS)	(396,159)	(396,159)	(396,159)	-		(396,159)	0		0	d
29	Change in Assigned Fund Balance	(396,159)	(396,159)	(4,316,159)	(3,920,000)		(4,002,159)	314,000		(3,606,000)	e (c+d)
30											
31	Change in Unassigned General Fund Balance	392,419	56,992	(2,486,679)	(2,543,671)		194,681	2,681,359		137,688	f (b-e)
32											
33	Ending Unassigned Fund Balance	\$13,461,569	\$13,354,871	\$10,373,215	(\$2,981,656)		\$12,839,033	\$2,465,817		(\$515,839)	(a+f)
34											
35	Unassigned Fund Balance Percentage	8.0%	7.9%	6.2%			7.9%				
36											
37	Notes:										
38	1. Revenue \$10.4MM less than 3/2/2020 presentation.										
39	2. Expense \$6.9MM less than 3/2/2020 presentation.										
40	3. 2019-20 assigned fund balance nearly satisfies revenue shortfall in 2020-21.										
41	4. 2019-20 assigned fund balance generated by not transferring to capital reserve.										
42	5. 2020-21 does not include a transfer to capital reserve.										

	B	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF
1	State College Area School District													
2	General Fund Revenue													
3	4/17/2020													
4														
5														
6	Assumptions:													
7	Earned Income Tax Growth (1)	2.90%	2.50%	-2.11%	-10.00%	0.00%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
8	Assessed Value Growth (2)	1.43%	1.20%	1.95%	0.80%	0.80%	0.80%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
9	Exceptions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Act 1 Index	2.40%	2.30%	2.30%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
12	Actual/Projected Total Tax Increase	2.40%	1.95%	1.95%	0.00%	1.00%	1.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

	Actual 2018-2019	Budget 2019-2020	Projected 2019-2020	Budget 2020-2021	Projected 2021-2022	Projected 2022-2023	Projected 2023-2024	Projected 2024-2025	Projected 2025-2026	Projected 2026-2027	Projected 2027-2028	Projected 2028-2029	Projected 2029-2030	
13	LOCAL SERVICES TAX													
16	CURRENT REAL ESTATE TAX	\$96,102,333	\$99,167,790	\$99,954,436	\$98,499,105	\$101,503,425	\$104,715,608	\$108,296,132	\$111,988,533	\$115,805,503	\$119,742,989	\$123,809,187	\$128,002,712	\$132,332,290
17	REAL ESTATE TAX-REFERENDUM DEBT	4,941,977	4,946,210	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	4,944,093	4,945,551
18	EARNED INCOME TAX	18,388,631	18,690,000	18,000,000	16,200,000	16,200,000	16,200,000	16,610,000	17,030,000	17,460,000	17,900,000	18,350,000	18,810,000	19,280,000
19	REALTY TRANSFER TAX	3,070,277	2,200,000	2,700,000	1,350,000	1,650,000	1,950,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
20	DELINQUENT REAL ESTATE TAX	1,190,289	1,100,000	750,000	850,000	950,000	1,000,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
21	INTERIM REAL ESTATE TAX	1,277,422	600,000	1,150,000	400,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
22	IDEA-B	739,659	740,000	761,373	740,000	740,000	740,000	740,000	740,000	740,000	740,000	740,000	740,000	740,000
23	PAYMENTS IN LIEU OF TAX	664,382	664,382	674,646	674,646	674,646	674,646	674,646	674,646	674,646	674,646	674,646	674,646	674,646
24	LOCAL SERVICES TAX	386,864	406,000	390,000	392,000	396,000	400,000	404,000	408,000	412,000	416,000	420,000	424,000	428,000
25	TUITION	1,414,650	1,674,651	1,188,356	1,581,910	1,581,910	1,581,910	1,581,910	1,581,910	1,581,910	1,581,910	1,581,910	1,581,910	1,581,910
26	MISC LOCAL REVENUE	634,427	611,705	1,789,620	518,409	538,409	538,409	538,409	538,409	538,409	538,409	538,409	538,409	538,409
27	PUBLIC UTILITY REALTY TAX	118,725	117,190	117,190	117,190	117,190	117,190	117,190	117,190	117,190	117,190	117,190	117,190	117,190
28	INTEREST ON INVESTMENTS	1,269,780	400,000	1,000,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
29														
30	TOTAL LOCAL	130,199,417	131,317,928	133,421,831	126,518,999	130,146,849	133,712,326	137,955,675	142,074,897	146,322,811	150,704,767	155,223,789	159,882,960	164,687,996
31	STATE													
33	BASIC ED INSTR SUBSIDY	7,920,859	7,921,450	8,407,038	8,407,038	8,407,038	8,407,038	8,407,038	8,407,038	8,407,038	8,407,038	8,407,038	8,407,038	8,407,038
34	SPECIAL ED REVENUE	3,292,352	3,315,119	3,323,982	3,323,982	3,323,982	3,323,982	3,323,982	3,323,982	3,323,982	3,323,982	3,323,982	3,323,982	3,323,982
35	REV. FOR RETIREMENT	11,363,341	12,169,441	12,026,449	12,188,467	12,700,000	13,250,000	13,700,000	14,200,000	14,700,000	15,250,000	15,700,000	16,000,000	16,350,000
36	REV. FOR SOCIAL SECURITY	2,536,120	2,719,036	2,687,058	2,706,581	2,776,953	2,840,823	2,903,321	2,964,290	3,023,576	3,084,048	3,145,729	3,208,643	3,272,816
37	PROPERTY TAX REDUCTION	1,423,448	1,423,580	1,423,580	1,423,580	1,423,580	1,423,580	1,423,580	1,423,580	1,423,580	1,423,580	1,423,580	1,423,580	1,423,580
38	TRANSPORTATION REVENUE	926,079	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
39	BOND REIMBURSEMENTS (3)	320,857	630,098	278,771	751,246	749,552	741,629	741,751	741,931	741,981	678,501	678,455	521,717	521,866
40	HEALTH SERVICES REVENUE	140,026	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
41	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
42	SAFETY GRANTS	65,000	20,000	30,000	35,000	0	0	0	0	0	0	0	0	0
43	VOCATIONAL EDUCATION	227,172	100,000	250,379	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
44	OTHER STATE REVENUE (4)	6,818,508	1,169,676	901,112	0	0	0	0	0	0	0	0	0	0
45	TUITION - 1305/1306	108,757	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
46														
47	TOTAL STATE	35,452,531	30,848,413	30,708,382	30,315,908	30,861,118	31,467,065	31,979,685	32,540,835	33,100,171	33,647,162	34,158,797	34,364,974	34,779,295
48	FEDERAL													
50	TITLE I REVENUE	783,712	744,552	749,932	700,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
51	TITLE II REVENUE	167,980	156,489	165,800	159,772	159,772	159,772	159,772	159,772	159,772	159,772	159,772	159,772	159,772
52	ACCESS FUNDS	343,115	250,000	377,764	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
53	OTHER FEDERAL REVENUE	119,545	60,000	74,168	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
54	TITLE III REVENUE	56,699	35,000	45,572	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
55														
56	TOTAL FEDERAL	1,471,051	1,246,041	1,413,236	1,204,772	1,104,772	1,104,772	1,104,772	1,104,772	1,104,772	1,104,772	1,104,772	1,104,772	1,104,772
57	TOTAL REVENUE	167,123,000	163,412,382	165,543,449	158,039,679	162,112,739	166,284,163	171,040,132	175,720,504	180,527,753	185,456,701	190,487,358	195,352,706	200,572,063

- (1) Projected decrease in 2019-20 and 2020-21 are related to the estimated impact of COVID-19. Future years are assumed to increase gradually to slightly less than the historical 5-year average of 3.2% for years prior to COVID-19
- (2) Projected 2020-21 and 2021-22 reflect the estimated impact of COVID-19. Years 2022-23 forward assume historical 10-year average of 1.2% through 2019-20.
- (3) Excludes reimbursement due to the district for debt service payments related to the high school and elementary project debt paid during construction.
- (4) Other State Revenue for 2018-19 and 2019-20 include DCED grant revenue related to the State High Project and three elementary buildings. Projected 2019-20 is less than budget because a larger amount was received in 2018-19 than projected. This grant revenue is included in both revenue and expense.

	B	C	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM
81	State College Area School District														
82	General Fund Expenses and Fund Balance Transfers														
83	4/17/2020														
84															
85															
86			Actual 2018-	Budget 2019-	Projected	Budget 2020-	Projected	Projected 2022-	Projected	Projected	Projected	Projected	Projected	Projected	Projected
87			2019	2020	2019-2020	2021	2021-2022	2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
88	Salaries		69,490,777	72,536,652	71,683,546	72,204,388	74,081,702	75,785,581	77,452,864	79,079,374	80,660,962	82,274,181	83,919,665	85,598,058	87,310,019
89	Health Insurance		12,563,861	13,950,662	13,592,321	15,509,327	17,525,540	19,803,860	21,784,246	23,962,670	26,358,937	28,994,831	31,894,314	35,083,745	38,592,120
90	PSERS		22,561,701	24,338,881	24,052,898	24,376,933	25,400,000	26,500,000	27,400,000	28,400,000	29,400,000	30,500,000	31,400,000	32,000,000	32,700,000
91	Other Benefits		6,797,767	7,158,493	6,934,315	7,085,376	7,300,000	7,500,000	7,700,000	7,900,000	8,100,000	8,300,000	8,500,000	8,700,000	8,900,000
92	Professional Services		3,150,563	3,647,514	3,052,706	3,768,202	3,830,000	3,900,000	3,970,000	4,040,000	4,110,000	4,180,000	4,250,000	4,320,000	4,390,000
93	Purchased Property Services		1,781,117	1,370,308	1,369,864	1,398,770	1,420,000	1,440,000	1,460,000	1,480,000	1,510,000	1,540,000	1,570,000	1,600,000	1,630,000
94	Charter School Expense		6,013,133	6,921,425	6,000,513	6,489,092	6,600,000	6,710,000	6,820,000	6,940,000	7,060,000	7,180,000	7,300,000	7,420,000	7,550,000
95	Other Purchased Services		6,465,922	6,349,890	6,322,611	7,081,011	6,900,000	7,020,000	7,140,000	7,260,000	7,380,000	7,510,000	7,640,000	7,770,000	7,900,000
96	Supplies/Equipment		8,155,769	8,033,761	7,462,503	7,389,498	7,460,000	7,530,000	7,610,000	7,650,000	7,730,000	7,810,000	7,890,000	7,970,000	8,050,000
97	Minor Capital Projects		2,222,559	2,225,174	2,258,549	2,269,677	2,315,071	2,361,372	2,408,600	2,456,772	2,505,907	2,556,025	2,607,146	2,659,289	2,712,475
98	Transfers/contingencies		283,622	1,652,884	1,565,844	1,547,119	1,674,062	1,701,543	1,729,574	1,758,165	1,787,329	1,817,075	1,847,417	1,878,365	1,909,932
99	Debt Service		7,613,533	7,540,783	7,453,050	7,469,638	7,440,038	7,365,313	7,371,763	7,372,513	7,366,175	6,338,200	6,338,600	3,781,150	3,783,025
100	Debt Service - Referendum Debt		5,254,125	5,258,625	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	5,256,375	5,257,925
101	Transfer to Capital Projects - DCED Grant		6,799,671	1,169,676	901,112	-	-	-	-	-	-	-	-	-	-
102	Transfer to Capital Reserve		8,175,289	1,783,500	1,783,500			2,315,000	2,237,500	2,098,200	2,334,500	2,032,000	2,957,500	2,823,500	4,987,000
103	Fund Balance Assignment/Use (COVID-19)		-	-	6,461,000	(3,606,000)	(2,855,000)	-	-	-	-	-	-	-	-
104	Fund Balance Use (PSERS)(2)		(1,207,573)	(659,620)	-	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	-	-	-	-	-
105															
106	Total Expenses and Fund Balance Transfers		\$166,121,836	\$163,278,608	\$166,152,957	\$157,844,997	\$163,952,878	\$174,793,385	\$179,944,012	\$185,260,161	\$191,559,185	\$196,288,187	\$203,369,266	\$206,860,482	\$215,672,496
107															
108	Total Expense and Transfers (excl fund balance use)		\$167,329,409	\$163,938,228	\$166,152,957	\$158,241,156	\$164,349,037	\$175,189,544	\$180,340,171	\$185,656,320	\$191,559,185	\$196,288,187	\$203,369,266	\$206,860,482	\$215,672,496

	B	C	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF
1	State College Area School District														
2	General Fund Balance														
3	4/17/2020														
4															
5		Actual	Budget	Projected	Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
6		2018-2019	2019-2020	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	
7	General Fund - Unassigned														
8	Beginning Balance	\$12,252,696	\$12,756,751	\$13,253,860	\$12,644,352	\$12,839,033	\$10,998,893	\$2,489,671	(\$6,414,209)	(\$15,953,866)	(\$26,985,297)	(\$37,816,784)	(\$50,698,692)	(\$62,206,468)	
9															
10	Revenue less Expense	1,001,164	133,774	(609,508)	194,681	(1,840,140)	(8,509,222)	(8,903,880)	(9,539,656)	(11,031,432)	(10,831,487)	(12,881,908)	(11,507,776)	(15,100,432)	
11															
12	General Fund - Unassigned	13,253,860	12,890,525	12,644,352	12,839,033	10,998,893	2,489,671	(6,414,209)	(15,953,866)	(26,985,297)	(37,816,784)	(50,698,692)	(62,206,468)	(77,306,900)	
13															
14	% of Expense (subject to 8% cap)	7.92%	7.86%	7.92%	7.93%	6.58%	1.42%	-3.56%	-8.59%	-14.09%	-19.27%	-24.93%	-30.07%	-35.84%	
15															
16															
17	General Fund - Assigned														
18	PSERS														
19	Beginning Balance	3,847,987	2,640,414	2,640,414	1,980,794	1,584,635	1,188,476	792,317	396,158	-	-	-	-	-	-
20															
21	Additions														
22	Planned Uses	(1,207,573)	(659,620)	(659,620)	(396,159)	(396,159)	(396,159)	(396,159)	(396,158)	-	-	-	-	-	-
23															
24	Ending Fund Balance	2,640,414	1,980,794	1,980,794	1,584,635	1,188,476	792,317	396,158	-	-	-	-	-	-	-
25															
26	Debt Service/Capital														
27	Beginning Balance		-	-	-	-	-	-	-	-	-	-	-	-	-
28															
29	Additions		-	-	-	-	-	-	-	-	-	-	-	-	-
30	Uses		-	-	-	-	-	-	-	-	-	-	-	-	-
31															
32	Ending Fund Balance		-	-	-	-	-	-	-	-	-	-	-	-	-
33															
42	COVID-19														
43	Beginning Balance	-	-	-	6,461,000	2,855,000	-	-	-	-	-	-	-	-	-
44															
45	Additions/Use			6,461,000	(3,606,000)	(2,855,000)	-	-	-	-	-	-	-	-	-
46															
47															
48	Ending Fund Balance	-	-	6,461,000	2,855,000	-	-	-	-	-	-	-	-	-	-
49															
50															
51	Total General Fund - Assigned	2,640,414	1,980,794	8,441,794	4,439,635	1,188,476	792,317	396,158	-	-	-	-	-	-	-
52															
53	Total General Fund	15,894,274	14,871,319	21,086,146	17,278,668	12,187,369	3,281,988	(6,018,051)	(15,953,866)	(26,985,297)	(37,816,784)	(50,698,692)	(62,206,468)	(77,306,900)	

	B	C	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF
57	State College Area School District														
58	Capital Reserve Fund														
59	4/17/2020														
60															
61				Actual	Projected	Projected	Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
62				2018-2019	(6.26.19)	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
63															
64	Beginning Balance			\$62,683,123	\$62,775,791	\$65,352,257	\$64,622,655	\$60,245,604	\$54,008,556	\$50,212,464	\$46,267,507	\$44,441,431	\$42,808,728	\$40,849,430	\$37,370,312
65															
66	Additions:														
67	Transfer			8,175,289	1,783,500	1,783,500	-	-	2,315,000	2,237,500	2,098,200	2,334,500	2,032,000	2,957,500	2,823,500
68	Lemont Sale					1,300,000									
69	Bond Reimbursements						198,361	198,376	198,370	198,428	198,298	198,269	198,327	198,169	198,082
70	Donation/Net Investment Earnings			1,331,388	1,055,516	1,107,045	273,113	753,684	880,171	804,249	725,350	688,829	656,175	616,989	547,406
71	Total Additions			9,506,677	2,839,016	4,190,545	471,474	952,060	3,393,541	3,240,177	3,021,848	3,221,598	2,886,502	3,772,658	3,568,988
72															
73	Uses:														
75	Debt Service:														
76	2018 Bonds - Elementary (1)			(3,444,319)	(3,441,200)	(3,441,200)	(3,444,450)	(3,444,700)	(3,444,600)	(3,445,600)	(3,443,350)	(3,442,850)	(3,443,850)	(3,441,100)	(3,439,600)
	2019 Bonds - HS/Elem/Nittany Ave/Memorial Field/Playgrounds/North bldg (2)				(1,475,766)	(638,715)	(1,404,075)	(1,411,075)	(1,411,700)	(1,406,200)	(1,404,575)	(1,411,450)	(1,401,950)	(1,406,075)	(1,413,325)
78	Middle School (3)			-	-	-	-	-	-	-	-	-	-	(2,404,600)	(2,404,400)
79															
80	Capital Expenditures:														
81	Athletic/Recreation Facilities (4)			(83,158)	-	-	-	(2,333,333)	(2,333,333)	(2,333,333)	-	-	-	-	-
82	MNMS HVAC			(1,687,185)	(879,750)	(306,223)									
83	South Track Lighting			(6,811)	(220,605)	(442,209)									
84	North Field Lighting			(437,220)											
85	North Field Turf			(1,178,850)	(369,550)	(91,800)									
86	Total Uses			(6,837,543)	(6,386,871)	(4,920,147)	(4,848,525)	(7,189,108)	(7,189,633)	(7,185,133)	(4,847,925)	(4,854,300)	(4,845,800)	(7,251,775)	(7,257,325)
87															
88	Net Change			2,669,133	(3,547,855)	(729,602)	(4,377,051)	(6,237,048)	(3,796,092)	(3,944,956)	(1,826,077)	(1,632,702)	(1,959,298)	(3,479,117)	(3,688,337)
89															
90	Ending Fund Balance			\$65,352,257	\$59,227,936	\$64,622,655	\$60,245,604	\$54,008,556	\$50,212,464	\$46,267,507	\$44,441,431	\$42,808,728	\$40,849,430	\$37,370,312	\$33,681,976
91															
93	<i>(1) Elementary: Series 2018 Bonds - debt service for 25 years to fund \$56.9 MM @ 3.72%. Debt service for the Series 2018 Bonds is to be paid from the Capital Reserve Fund.</i>														
94	<i>(2) Series 2019 Bonds - debt service for 25 years to fund \$25.6 MM @ 2.74%. Borrowing includes \$6.1 Million High School; Elem \$2.9 million; Memorial Field \$12.7 million; Playgrounds \$900,000; North building \$3 million. Debt service for Series 2019 Bonds is to be paid from the Capital Reserve Fund.</i>														
95	<i>(3) Middle School: Wrapped debt service for 25 years to fund \$60 MM @ 4%.</i>														
96	<i>(4) Assumes estimated \$7.6 million for Athletic/Recreation Facilities is funded from Capital Reserve. 2018-19 expense represents Memorial Field construction funded by brick donations.</i>														
97															
98															
99	Assumptions:														
100	Debt service calculation from NW Financial.														
101	Borrowing potential may change as a result of interest rate movement.														
102															
103															
104															

State College Area School District
Fund Balance Summary - General and Capital Reserve Fund
4/17/2020

	Actual 2018- 2019	Budget 2019- 2020	Projected 2019-2020	Budget 2020- 2021	Projected 2021-2022	Projected 2022-2023	Projected 2023-2024	Projected 2024-2025	Projected 2025-2026	Projected 2026-2027	Projected 2027-2028	Projected 2028-2029	Projected 2029- 2030
Nonspendable Fund Balance	\$ 1,933,433	\$ 1,801,683	\$ 1,933,433	\$ 1,933,433	\$ 1,933,433	\$ 1,933,433	\$ 1,933,433	\$ 1,933,433	\$ 1,933,433	\$ 1,933,433	\$ 1,933,433	\$ 1,933,433	\$ 1,933,433
General Unassigned	13,253,860	12,756,751	13,253,860	12,839,033	10,998,893	2,489,671	(6,414,209)	(15,953,866)	(26,985,297)	(37,816,784)	(50,698,692)	(62,206,468)	(77,306,900)
General Assigned COVID-19	-	-	(5,531,000)	2,855,000	-	-	-	-	-	-	-	-	-
General Assigned PSERS	2,640,414	1,980,794	1,980,794	1,584,635	1,188,476	792,317	396,158	-	-	-	-	-	-
General Assigned Legal Liability	-	-	-	-	-	-	-	-	-	-	-	-	-
Total General Fund	17,827,707	16,539,228	11,637,087	19,212,101	14,120,802	5,215,421	(4,084,618)	(14,020,432)	(25,051,864)	(35,883,350)	(48,765,258)	(60,273,034)	(75,373,467)
Capital Reserve Fund	65,352,257	59,227,936	64,622,655	60,245,604	54,008,556	50,212,464	46,267,507	44,441,431	42,808,728	40,849,430	37,370,312	33,681,976	32,083,631
Total Fund Balance	\$ 83,179,964	\$ 75,767,163	\$ 76,259,742	\$ 79,457,705	\$ 68,129,358	\$ 55,427,885	\$ 42,182,890	\$ 30,420,998	\$ 17,756,864	\$ 4,966,079	\$ (11,394,946)	\$ (26,591,059)	\$ (43,289,836)

	B	C	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG
1	State College Area School District															
2	General Fund Activity															
3	4/17/2020															
4																
5																
6																
15																
16																
17	Beginning Fund Balance	\$12,252,696	\$12,756,751	\$13,253,860	\$12,644,352	\$12,839,033	\$10,998,893	\$2,489,671	-\$6,414,209	-\$15,953,866	-\$26,985,297	-\$37,816,784	-\$50,698,692	-\$62,206,468		i
18																
19	Revenue	167,123,000	163,412,382	165,543,449	158,039,679	162,112,739	166,284,163	171,040,132	175,720,504	180,527,753	185,456,701	190,487,358	195,352,706	200,572,063		
20																
21	Local	130,199,417	131,317,928	133,421,831	126,518,999	130,146,849	133,712,326	137,955,675	142,074,897	146,322,811	150,704,767	155,223,789	159,882,960	164,687,996		
22	State	35,452,531	30,848,413	30,708,382	30,315,908	30,861,118	31,467,065	31,979,685	32,540,835	33,100,171	33,647,162	34,158,797	34,364,974	34,779,295		
23	Federal	1,471,051	1,246,041	1,413,236	1,204,772	1,104,772	1,104,772	1,104,772	1,104,772	1,104,772	1,104,772	1,104,772	1,104,772	1,104,772		
24																
25	Expense and transfers (excluding use of fund balance)	167,329,409	163,938,228	159,691,957	161,847,156	167,204,037	175,189,544	180,340,171	185,656,320	191,559,185	196,288,187	203,369,266	206,860,482	215,672,496		
26	Revenue less expense	(206,409)	(525,846)	5,851,492	(3,807,478)	(5,091,299)	(8,905,381)	(9,300,039)	(9,935,815)	(11,031,432)	(10,831,487)	(12,881,908)	(11,507,776)	(15,100,432)		ii
27																
28	Funding/(Use) of Assigned Fund Balance (COVID-19)			6,461,000	(3,606,000)	(2,855,000)	-	-	-	-	-	-	-	-	-	iii
29	(Use) of Assigned Fund Balance (PSERS/Legal Liability)	(1,207,573)	(659,620)	0	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	0	0	0	0	0	0	iv
30	Incr (Decr) in Assigned Fund Balance	(1,207,573)	(659,620)	6,461,000	(4,002,159)	(3,251,159)	(396,159)	(396,159)	(396,159)	-	-	-	-	-	-	v (iii+iv)
31																
32	Change in Unassigned General Fund Balance	1,001,164	133,774	(609,508)	194,681	(1,840,140)	(8,509,222)	(8,903,880)	(9,539,656)	(11,031,432)	(10,831,487)	(12,881,908)	(11,507,776)	(15,100,432)		vi (ii-v)
33																
34	Ending Unassigned Fund Balance	\$13,253,860	\$12,890,525	\$12,644,352	\$12,839,033	\$10,998,893	\$2,489,671	(\$6,414,209)	(\$15,953,866)	(\$26,985,297)	(\$37,816,784)	(\$50,698,692)	(\$62,206,468)	(\$77,306,900)		(i+vi)

Attachment C
Revenue
No PSU Return Fall 2020

**State College Area School District
General Fund Revenue - Assumption Impact Comparison
Budget 2020-21**

	4/17/2020	Assuming PSU does not return in the Fall	Change
LOCAL SERVICES TAX			
CURRENT REAL ESTATE TAX	98,499,105	92,266,690	(6,232,415) (1)
REAL ESTATE TAX-REFERENDUM DEBT	4,945,740	4,945,740	(0)
EARNED INCOME TAX	16,200,000	13,500,000	(2,700,000) (2)
REALTY TRANSFER TAX	1,350,000	1,050,000	(300,000) (3)
DELINQUENT REAL ESTATE TAX	850,000	850,000	-
INTERIM REAL ESTATE TAX	400,000	400,000	-
IDEA-B	740,000	740,000	-
PAYMENTS IN LIEU OF TAX	674,646	674,646	-
LOCAL SERVICES TAX	392,000	392,000	-
TUITION	1,581,910	1,581,910	-
MISC LOCAL REVENUE	518,409	518,409	-
PUBLIC UTILITY REALTY TAX	117,190	117,190	-
INTEREST ON INVESTMENTS	250,000	250,000	-
TOTAL LOCAL	126,519,000	117,286,584	(9,232,415)
STATE			
BASIC ED INSTR SUBSIDY	8,407,038	8,407,038	-
SPECIAL ED REVENUE-REGULR	3,323,982	3,323,982	-
REV. FOR RETIREMENT	12,188,467	12,188,467	-
REV. FOR SOCIAL SECURITY	2,706,581	2,706,581	-
PROPERTY TAX REDUCTION	1,423,580	1,423,580	-
TRANSPORTATION REVENUE	800,000	800,000	-
BOND REIMBURSEMENTS	751,246	751,246	-
HEALTH SERVICES REVENUE	140,000	140,000	-
READY TO LEARN GRANT	310,013	310,013	-
SAFETY GRANTS	35,000	35,000	-
VOCATIONAL EDUCATION	100,000	100,000	-
OTHER STATE REVENUE	-	-	-
TUITION - 1305/1306	130,000	130,000	-
TOTAL STATE	30,315,907	30,315,908	0
FEDERAL			
TITLE I REVENUE	700,000	700,000	-
TITLE II REVENUE	159,772	159,772	-
ACCESS FUNDS	250,000	250,000	-
OTHER FEDERAL REVENUE	60,000	60,000	-
TITLE III REVENUE	35,000	35,000	-
TOTAL FEDERAL	1,204,772	1,204,772	0
TOTAL REVENUE	\$158,039,679	\$148,807,264	(\$9,232,415)

(1) Assumes further decreased in assessed value growth from .8% to 0% (\$831,724) due to property assessment appeals and a further decline in the collection percentage from 95% to 90% (\$5,400,690).

(2) Assumes further decrease in earned income compared to projected 2019-20 from 10% to 25%.

(3) Assumes further decrease in property transfers.

State College Area School District

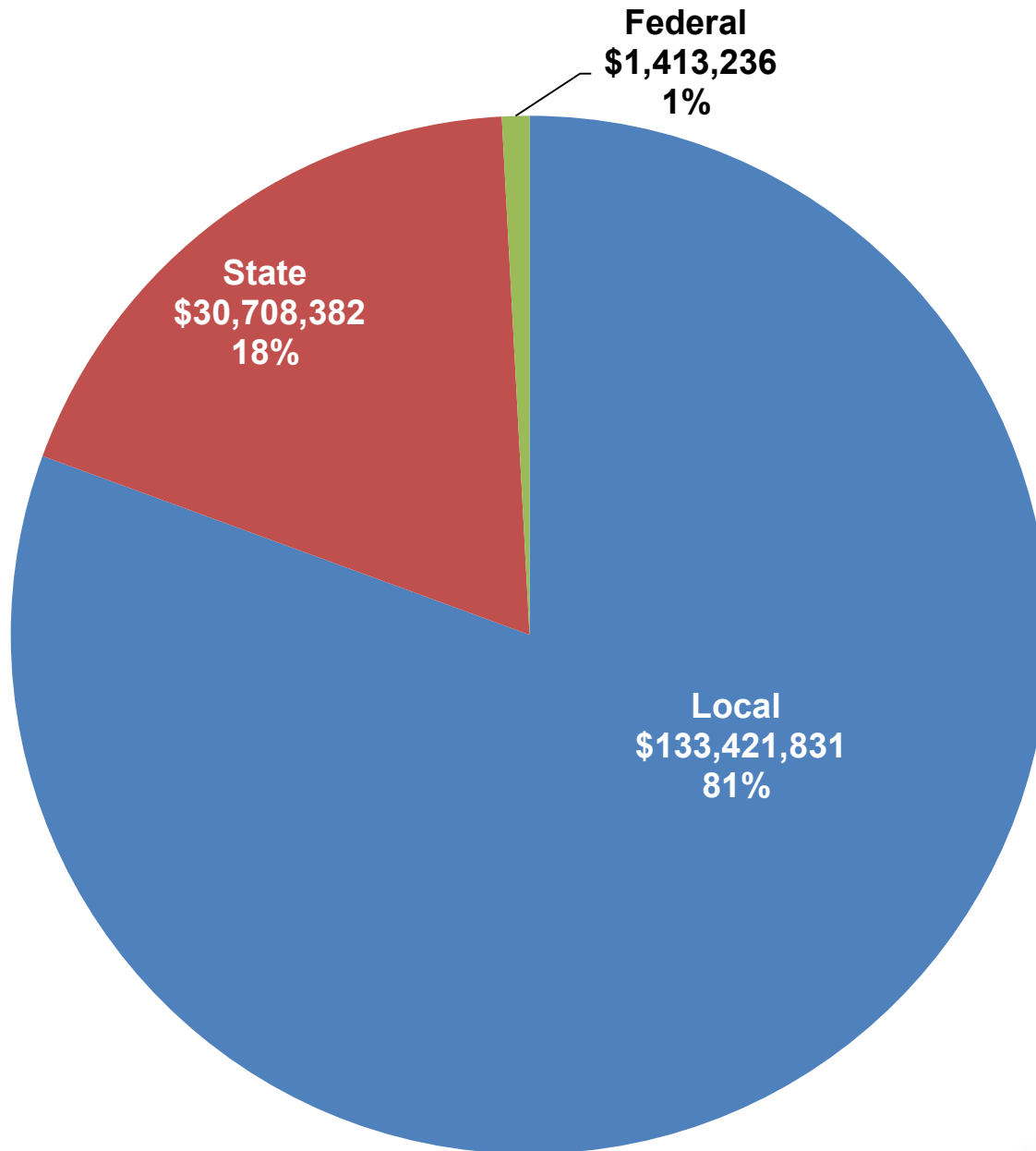
2020-21 Budget Development

**State College
Area School District
April 27, 2020**

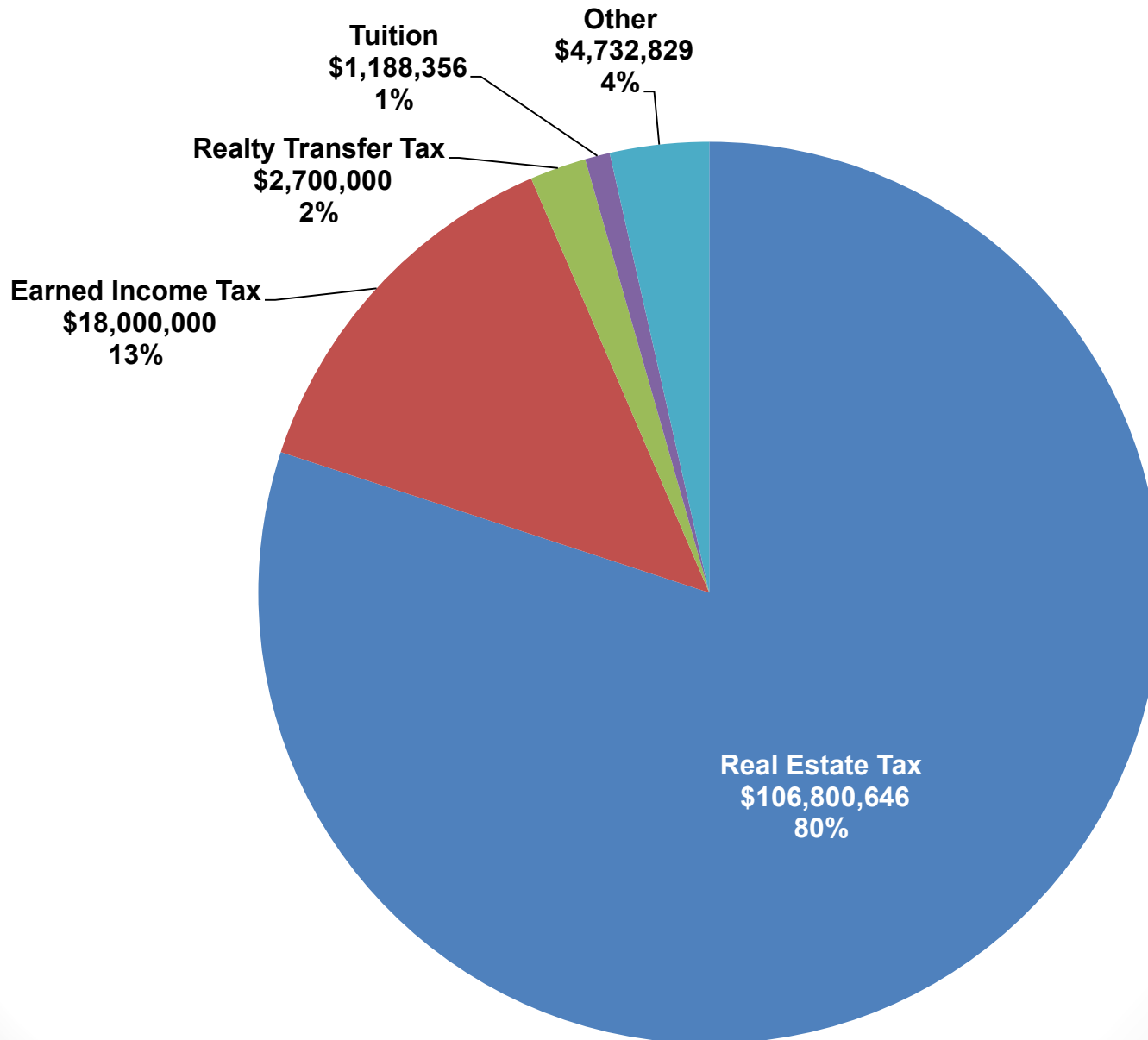
2020-2021 Budget Update

- Finance Committee update
 - Dramatic economic decline over short time period
 - Recovery predicted over long time period
 - Penn State Impact
 - Summer 2020 online
 - Fall 2020 return to classroom – assumed in our projections
 - 2019-2020 continue to pay district employees per Act 13
 - State Revenue
 - Expected decrease offset by CARES Act funding
 - 2019-2020 Budget Projections
 - 2020-2021 Budget Proposal
 - Multi-Year Projections

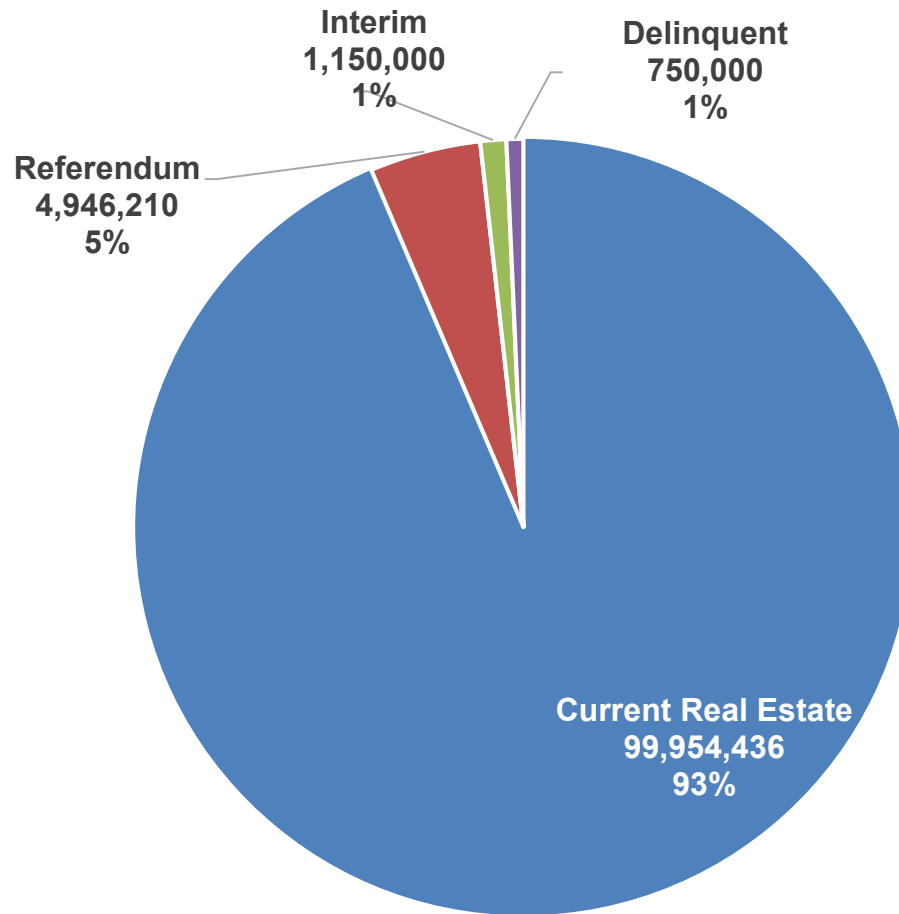
2019-20 Projected Revenue by Source



2019-20 Projected Local Revenue



Real Estate Tax

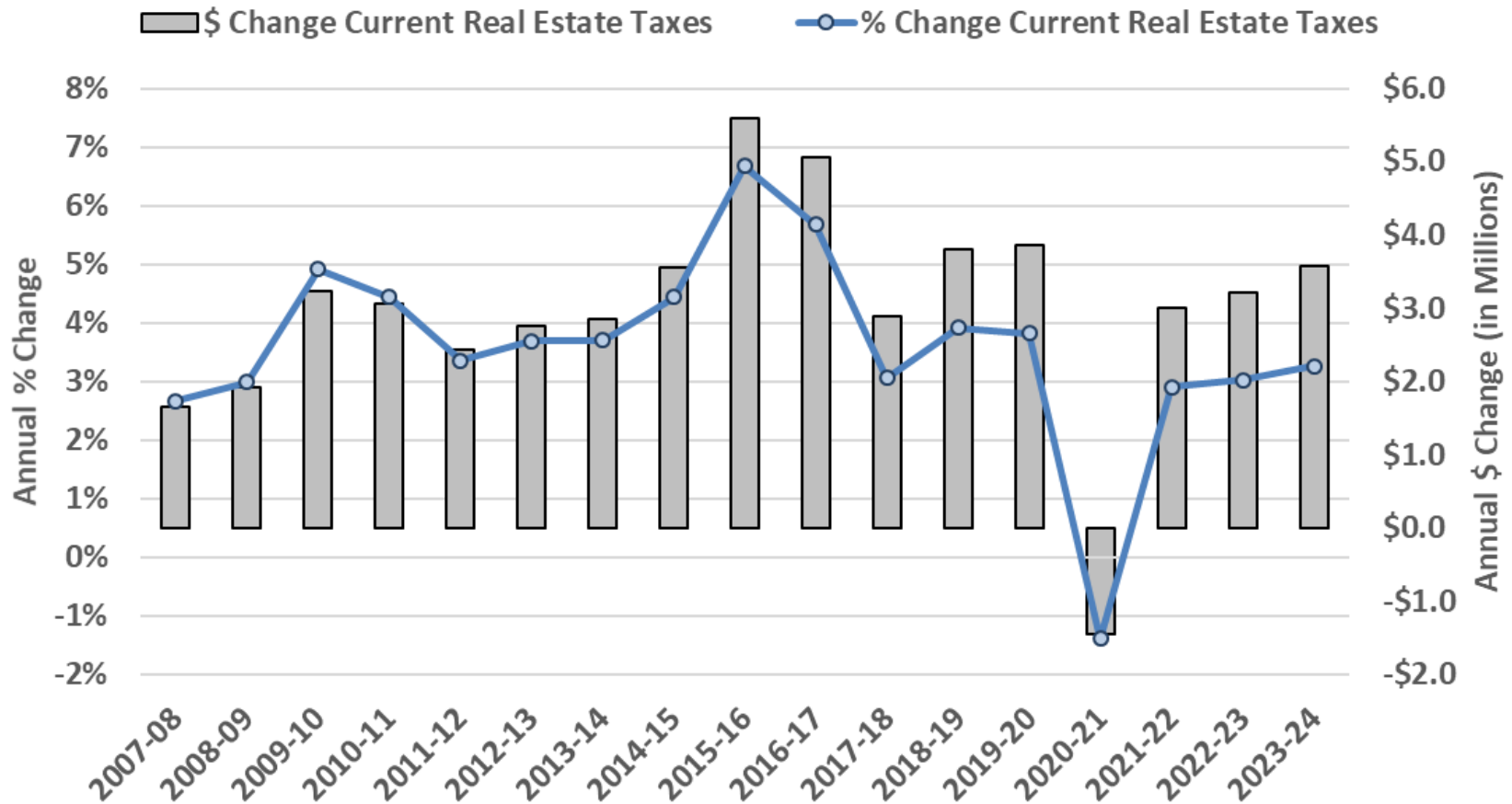


Impact of Real Estate Revenue Assumption Changes

Assumption	3/2/2020 Projection	Revised Projection	Real Estate Revenue Decrease
Collection %	97.1%	95.0%	(2,306,580)
Assessed Value Growth	1.20%	0.8%	(425,135)
Tax Rate Increase	2.0%	0%	(2,149,409)
Total Decrease in Budgeted Real Estate Revenue			(4,881,124)

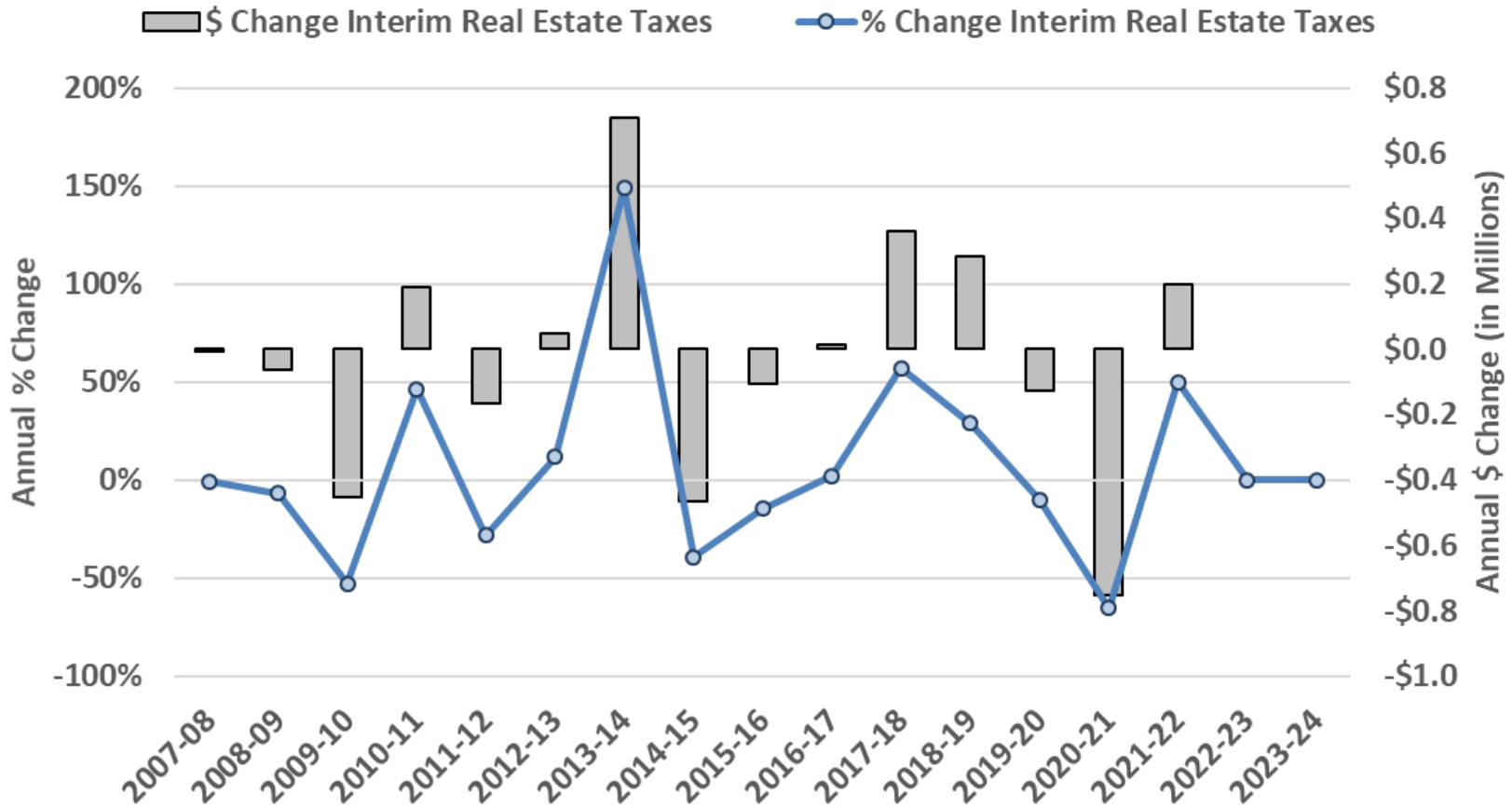
Current Real Estate Taxes

State College Area SD



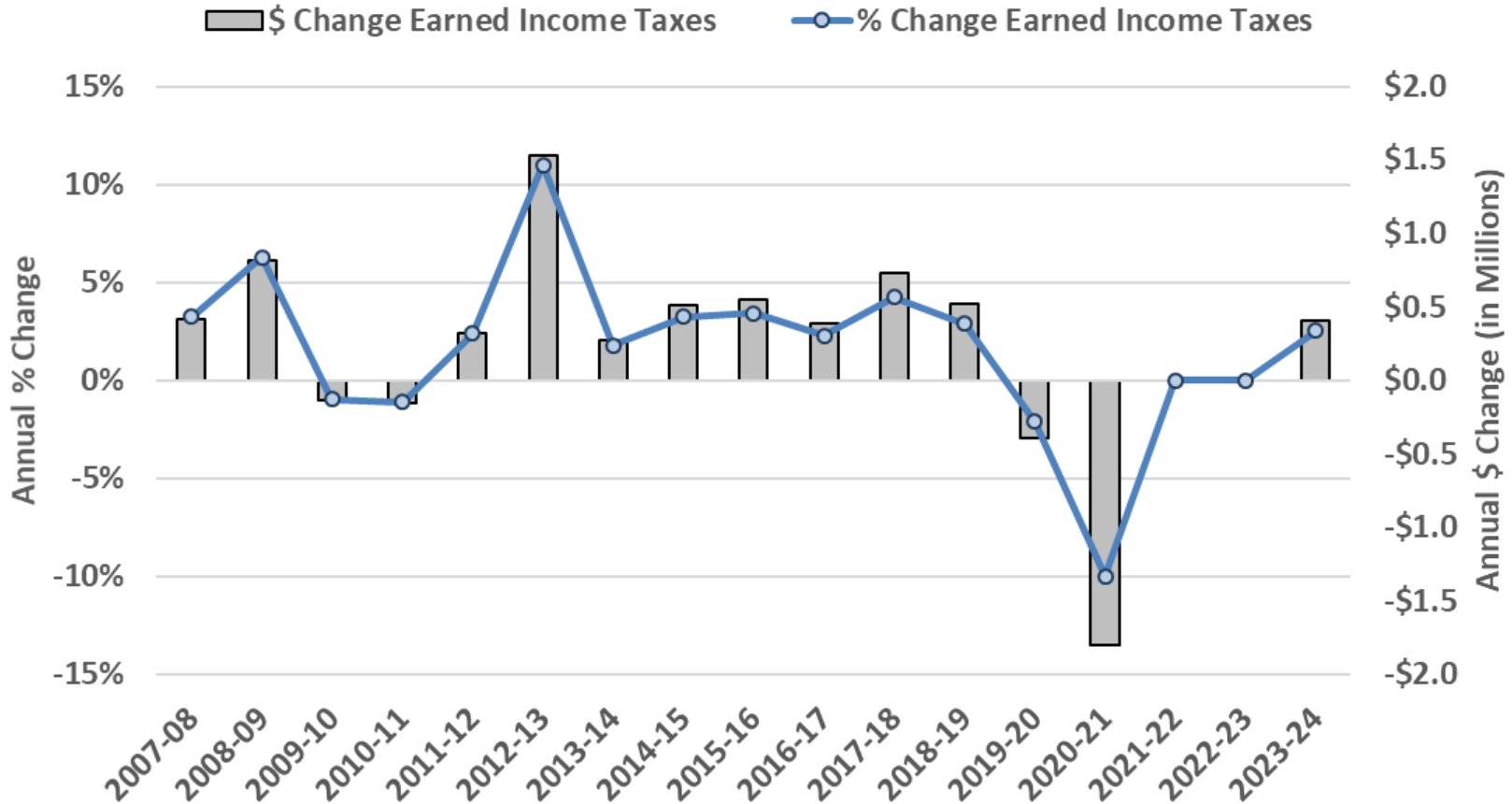
Interim Real Estate Taxes

State College Area SD



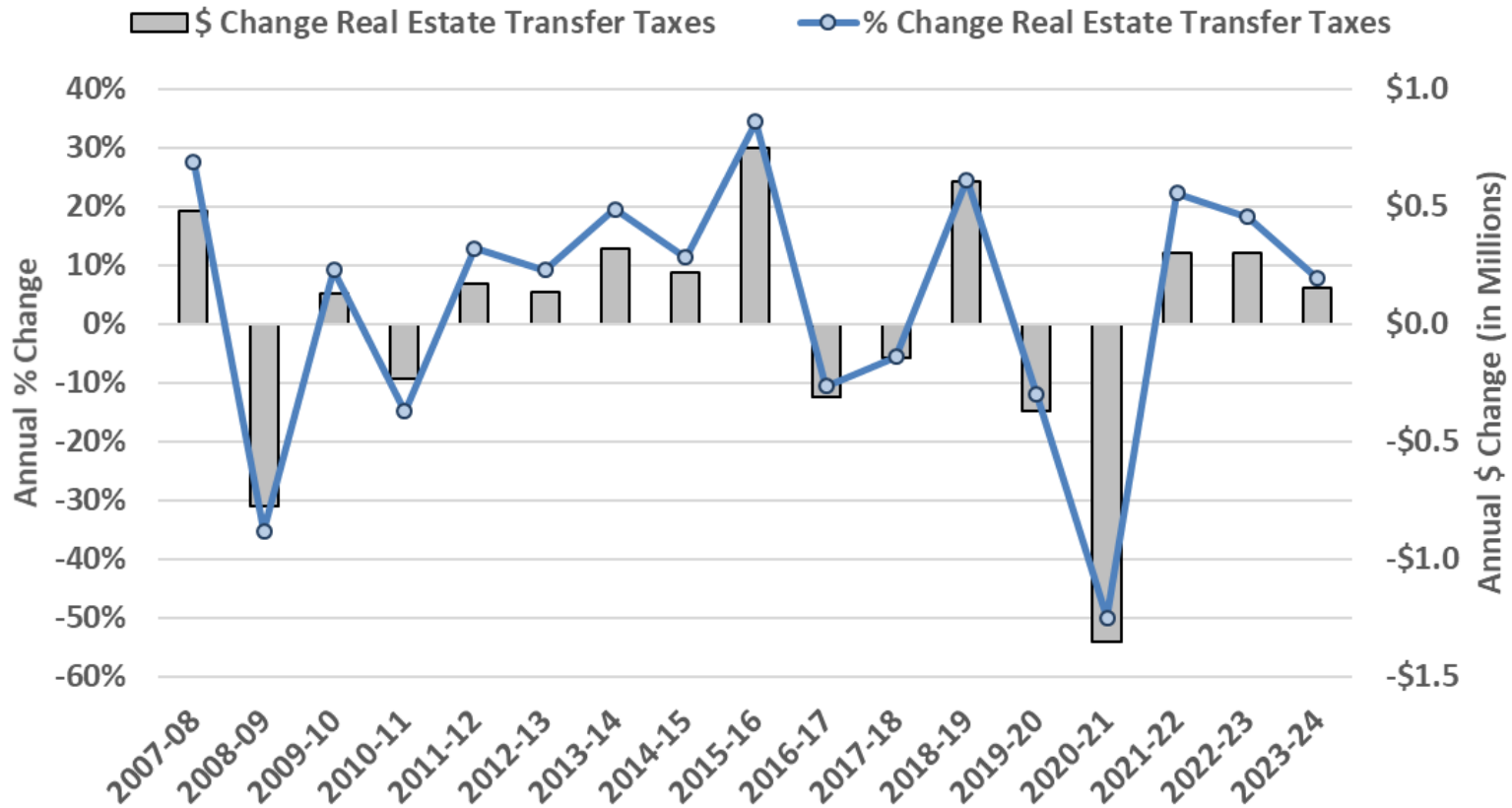
Earned Income Taxes

State College Area SD



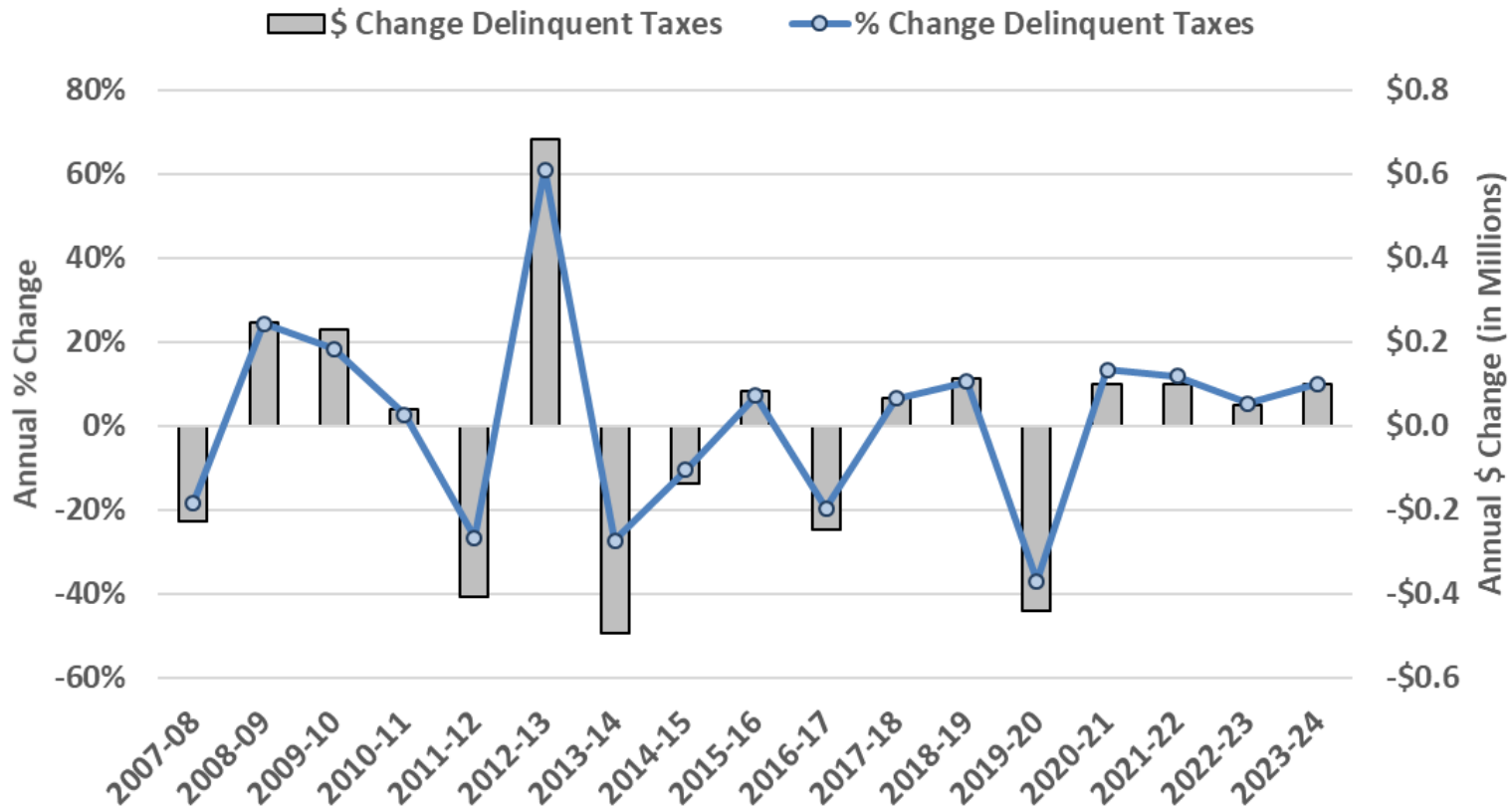
Real Estate Transfer Taxes

State College Area SD



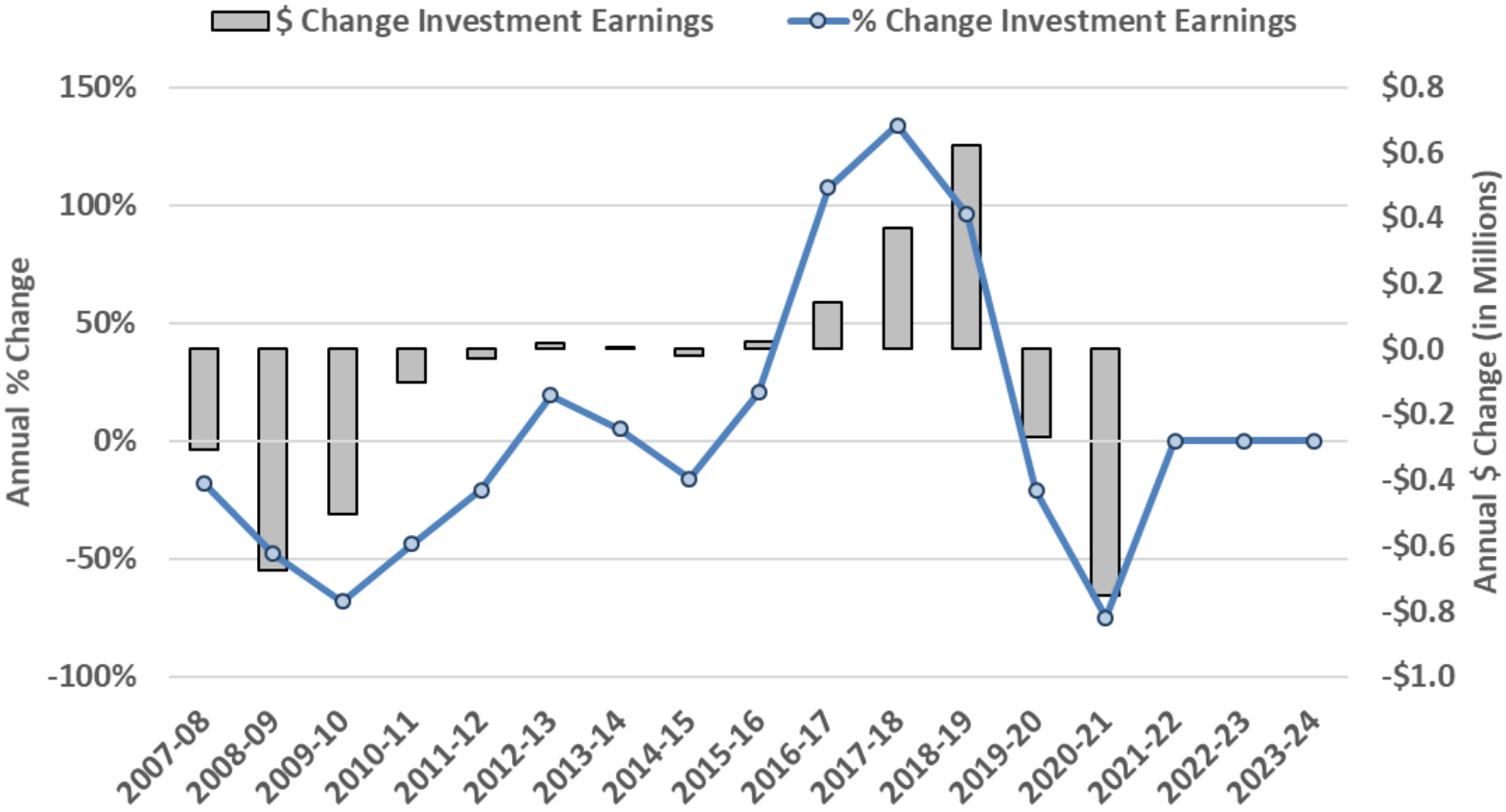
Delinquent Taxes

State College Area SD



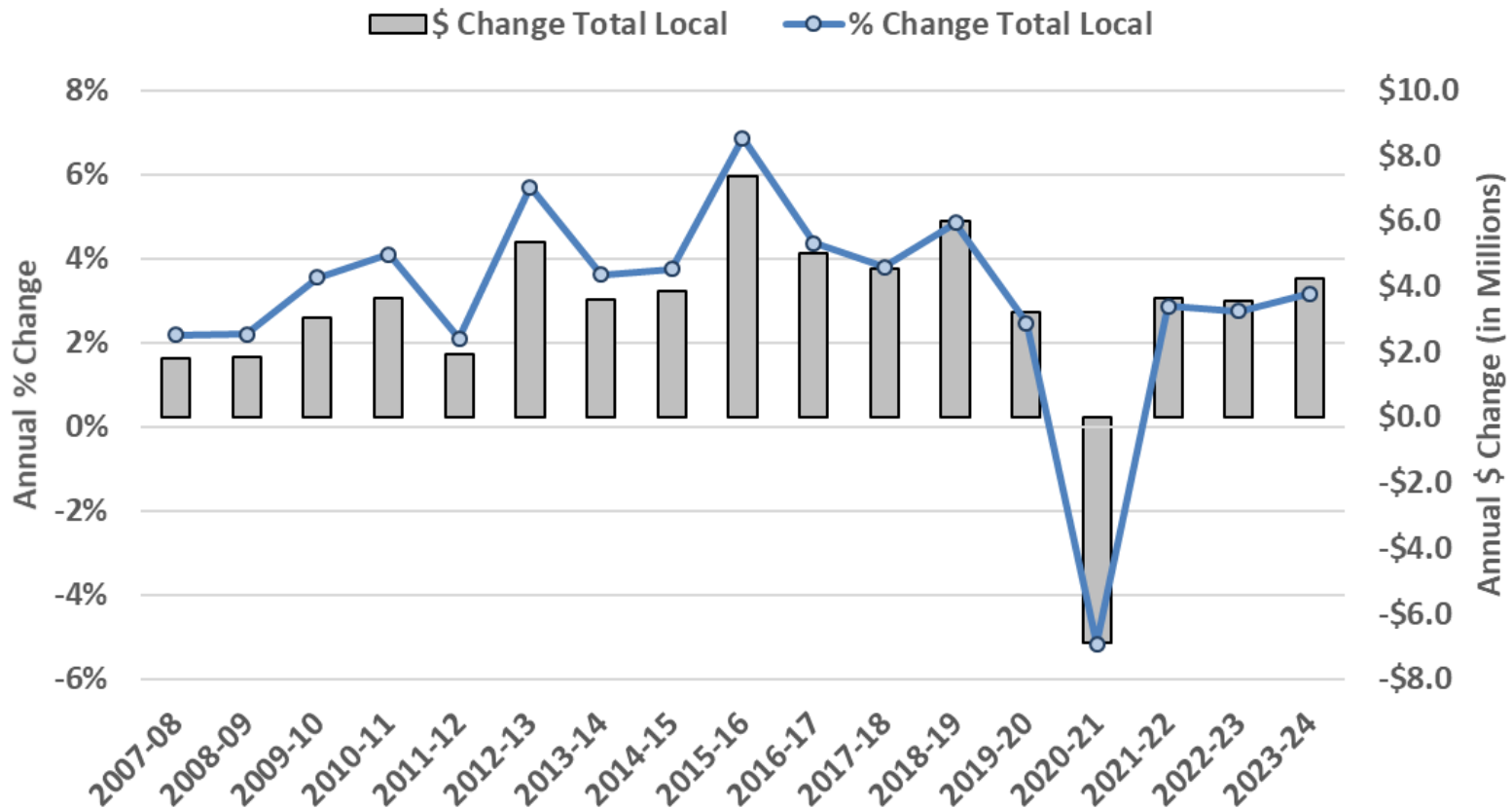
Investment Earnings

State College Area SD



Local Revenue

State College Area SD



Other Revenue Types

- Earned Income
 - Projecting 10% loss
 - Historical Average 2.5% growth
- Real Estate Transfer
 - Decline from 1.6% to .9%
- Delinquent Real Estate Tax
 - Currently budgeted at .5%
 - Will be changing assumption to .7% (increase of \$350,000)
 - Due to increase in delinquent accounts
 - Lower collection rate



Revenue - Future Years

- Recovery period uncertain
- Local Services Tax
- Payment in Lieu of Tax
- Property Tax Reduction
- Delinquent Real Estate



Expense

- Salary and Benefits adjusted to reflect current projections for all employee groups
- Health insurance adjusted to reflect negotiated rate
- Future updates include adjustments
 - Recurring and non-recurring
- Capital reserve transfer eliminated to close budget gap



Future Years Expense

- Salary and Benefits 70% of budget – requires analysis
- Health insurance 10-15% increases
- PSERS rate 34-38% of salary and wages
 - May be higher in future
- Capital Reserve transfer
 - Returns to budget in 2022-2023
 - Funds necessary facility needs and improvements

Multi-Year Projections

State College Area School District														
General Fund Activity														
4/17/2020														
	Actual 2018-2019	Budget 2019-2020	Projected 2019-2020	Budget 2020-2021	Projected 2021-2022	Projected 2022-2023	Projected 2023-2024	Projected 2024-2025	Projected 2025-2026	Projected 2026-2027	Projected 2027-2028	Projected 2028-2029	Projected 2029-2030	
Beginning Fund Balance	\$12,252,696	\$12,756,751	\$13,253,860	\$12,644,352	\$12,839,033	\$10,998,893	\$2,489,671	-\$6,414,209	-\$15,953,866	-\$26,985,297	-\$37,816,784	-\$50,698,692	-\$62,206,468	
Revenue	167,123,000	163,412,382	165,543,449	158,039,679	162,112,739	166,284,163	171,040,132	175,720,504	180,527,753	185,456,701	190,487,358	195,352,706	200,572,063	
Local	130,199,417	131,317,928	133,421,831	126,518,999	130,146,849	133,712,326	137,955,675	142,074,897	146,322,811	150,704,767	155,223,789	159,882,960	164,687,996	
State	35,452,531	30,848,413	30,708,382	30,315,908	30,861,118	31,467,065	31,979,685	32,540,835	33,100,171	33,647,162	34,158,797	34,364,974	34,779,295	
Federal	1,471,051	1,246,041	1,413,236	1,204,772	1,104,772	1,104,772	1,104,772	1,104,772	1,104,772	1,104,772	1,104,772	1,104,772	1,104,772	
Expense and transfers (excluding use of fund balance)	167,329,409	163,938,228	159,691,957	161,847,156	167,204,037	175,189,544	180,340,171	185,656,320	191,559,185	196,288,187	203,369,266	206,860,482	215,672,496	
Revenue less expense	(206,409)	(525,846)	5,851,492	(3,807,478)	(5,091,299)	(8,905,381)	(9,300,039)	(9,935,815)	(11,031,432)	(10,831,487)	(12,881,908)	(11,507,776)	(15,100,432)	
Funding/(Use) of Assigned Fund Balance (COVID-19)			6,461,000	(3,606,000)	(2,855,000)	-	-	-	-	-	-	-	-	
(Use) of Assigned Fund Balance (PSERS/Legal Liability)	(1,207,573)	(659,620)	0	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	0	0	0	0	0	
Incr (Decr) in Assigned Fund Balance	(1,207,573)	(659,620)	6,461,000	(4,002,159)	(3,251,159)	(396,159)	(396,159)	(396,159)	-	-	-	-	-	
Change in Unassigned General Fund Balance	1,001,164	133,774	(609,508)	194,681	(1,840,140)	(8,509,222)	(8,903,880)	(9,539,656)	(11,031,432)	(10,831,487)	(12,881,908)	(11,507,776)	(15,100,432)	
Ending Unassigned Fund Balance	\$13,253,860	\$12,890,525	\$12,644,352	\$12,839,033	\$10,998,893	\$2,489,671	(\$6,414,209)	(\$15,953,866)	(\$26,985,297)	(\$37,816,784)	(\$50,698,692)	(\$62,206,468)	(\$77,306,900)	

Multi-Year Projections – 10 year

		Projected 2029-2030
Beginning Fund Balance		-\$62,206,468
Revenue		200,572,063
Local		164,687,996
State		34,779,295
Federal		1,104,772
Expense and transfers (excluding use of fund balance)		215,672,496
Revenue less expense		(15,100,432)
Change in Unassigned General Fund Balance		(15,100,432)
Ending Unassigned Fund Balance		(\$77,306,900)

Additional Factors

- Penn State – fall session
 - If not in session – additional \$9.2 million revenue shortfall
 - Must prepare possible reductions
- State revenue decline beyond CARES Act funding

Timeline

- April 6, 2020 – Full Board Meeting
- April 21, 2020 – Finance Committee
- April 27, 2020 – Full Board Meeting
- May 4, 2020 – Full Board Meeting
- May 7, 2020 – Finance Committee
- May 18 – Full Board Meeting
- June 1, 2020 – Full Board Meeting
- June 15, 2020 – Budget Hearing and full Board Meeting
- June 29, 2020 – Full Board Meeting