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To: Board of Directors

From: Robert O'Donnell, Randy Brown and Donna Watson

Subject: 2020-2021 Budget Development

Date: April 6, 2020

## Executive Summary

Due to the COVID-19 impact on our local, state, and national economies, this update outlines the major changes that we are experiencing at this time and projecting for the next fiscal year. Specifically, we anticipate a decrease in revenue for both years based on our updated projections.

Therefore, the administration has prepared the below budget development update for 2019-2020 and 2020-2021, with a lens considering the economic impact of the pandemic (Attachment A). Given the current situation, we have changed our budget proposal to have one option only: no increase in the tax rate. Since we are in the early stages of the pandemic, we are uncertain of the total impact, but we should be within budget until June 30 despite an estimated \$2 million loss in revenue. However, for 2020-2021, the financial ramifications likely will be much more severe.

Below are the highlights of our report, with further details below.

### 2019-2020

- Revenue is now expected to be \$2,046,000 lower than projected on March 16.
- While some costs will be lower, we expect these will be offset with additional expenses due to our school closure.

- To support the projected deficit in 2020-2021, this year's excess fund balance is recommended to be assigned in the general fund.
- Capital reserve transfer has been returned to the original budgeted amount.

## **2020-2021**

- This budget proposal includes no increase in the real estate tax rate.
- Without any additional changes to the proposed budget, expenses and transfers would exceed revenue by \$2,486,679.
- Due to several factors, revenue in 2020-2021 is now budgeted \$9,000,273 lower than previously presented during our [March 12 Finance Committee](#) meeting.
- Expenses have been changed to reflect the following:
  - Proposed budgetary additions removed in the amount of \$1,088,602
  - Increased health insurance expenses
  - Costs due to 2019-2020 remote learning plan
- Changes in transfers:
  - The budgeted transfer to capital reserve has been removed, a change of \$2,248,000.
  - Estimated assigned fund balance from the prior year, \$3,920,000, will be used to make up for lost revenue.

During the next two months, we will make adjustments to our proposed budget prior to requesting your approval of a final budget proposal.

## **2019-2020 Budget Projection**

Although most of this budget update pertains to the 2020-2021 budget proposal, we must first update our projections to account for the COVID-19 impact on the 2019-2020 budget year. This includes changes to both revenue and expenditures. These adjustments total a projected reduction of \$2,045,985 compared to the most recent report.

Regarding expenses, further analysis will be necessary to better understand and estimate the types and amounts which the district will or will not be incurring in the current year. The administration is recommending that the excess fund balance be assigned for use in balancing the 2020-2021 budget. The capital reserve transfer to be maintained at the original budget amount of \$1,783,500.

The updated 2019-2020 budget projections are included in Attachment A. Those estimated revenue adjustments include:

- Change in EIT revenue from 2.5% increase to 2.11% decrease \$850,000

- Estimated reduction in transfer tax revenue \$210,000
- Decrease in delinquent real estate tax collections \$350,000
- Decrease in interim real estate tax collections \$210,900
- Decrease in CEEL revenue \$385,693
- Decrease in miscellaneous revenue \$39,392

## **2020-2021 Budget Development**

This update for 2020-2021 budget development begins to consider the impact on the district resulting from the pandemic, specifically from an economic view locally, state-wide and nationally, as well as from the school closure. The information being provided presents a significantly different picture than previous versions, including that from the Finance and Audit Committee meeting on March 12.

To inform our revenue projections, the finance team has been using historical data, including results from previous economic downturns in 2008 and 2011, as well as input from the tax assessment office, and the earned income tax office. A potentially large uncertainty related to our revenue projections relates to the district's largest employer. Specifically, the return to session of Penn State University (PSU) will greatly impact certain district revenues. The projections presented do not reflect a long-term closure of PSU, which at this time is extremely difficult to calculate.

Further analysis, and the passage of time, will be necessary to more accurately evaluate measurable impacts on expenditures. The governor signed into law that districts will continue to provide compensation to school employees as well as continue payment of certain third party contracts, specifically student transportation. The finance team is evaluating this legislation to understand its impact on our finances.

The total reduction to revenue in the 2020-2021 proposed budget is \$9,000,273. Although we have reviewed our revenue history and consulted with related experts and agencies to inform these projections, we want to emphasize these are estimates. There are multiple factors which may impact district revenue.

### **Revenue**

The adjustments to revenue include:

- Real estate tax revenue reduced for the following reasons \$4,881,124:
  - No change in the tax rate (removal of the proposed 2.0% rate increase)
  - Reduction in the assessed value from 1.2% to .8% to offset projected real estate tax appeals

- Reduction in estimated collections from 97.1% to 95%
- Reduction in real estate transfer taxes \$1,050,000
- Decrease in delinquent real estate tax collections \$200,000
- Reduction in interim tax collections \$300,000
- Change in EIT revenue from an increase of 2.5% to a reduction in 5.5% \$2,320,000
- Lower interest on investments due to a lower rate \$150,000
- Lower reimbursement for retirement and social security due to a reduction in salaries and wages \$99,149

## **Expenses**

The adjustments to expenses at this time include:

- Elimination of the proposed additions with the exceptions being \$1,088,602
  - .5 Social Worker - position funded through grant
  - Increase in healthcare costs due to spouses and dependents returning to the district plan. \$500,000
  - Allotment for instructional costs for remote learning with emphasis in special education students. \$300,000
- No allocation to capital reserve transfer and use of assigned fund balance from 2019-2020. \$6,168,000
  - This will maximize our flexibility to leverage these funds as we work through significant financial challenges.

In order to present a balanced budget, additional adjustments to expenses will be required. The administration plans to provide recommendations to reduce expenses beginning at the next board meeting. The first of these will include the district leadership, representing the superintendent, assistant superintendents, human resource director, and finance and operations officer, committing to foregoing salary increases.

## **Fund Balance**

The economic impact on fund balance in 2020-2021 does not provide unassigned fund balance at the maximum amount of 8% which the district has historically maintained.

Looking at the long term impact, our general fund balance diminishes quickly, resulting in a negative balance in 2022-2023. Furthermore, without ongoing transfers, the capital reserve fund decreases to a balance of \$3.6 million by 2029-2030. As shown in Attachment B, this is a markedly different situation than previously presented. The administration will need to present options to the Board in order to rectify this situation.

## **Next Steps**

The Board is required to have an approved final budget by June 30. Our budget calendar calls for this approval on June 1. This calendar might be modified in order to provide additional time for clarifying our financial projections prior to presenting the final budget proposal.

# Attachment A

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	<b>State College Area School District</b>												
2	<b>General Fund Revenue</b>												
3	<b>Projected 2019-20</b>												
4													
5													
6													
7													
8		<b>Board Presentation 12/2/19</b>	<b>Board Presentation 3/2/20</b>		<b>Decreased Earned Income Tax Growth from 2.5% to - 2.11% (1)</b>	<b>Decreased Transfer Tax (2)</b>	<b>Assumed Decrease in Delinquent Collections</b>	<b>Assumed Decrease in Interim Tax Collections</b>	<b>Decrease in CEEL Revenue (3)</b>	<b>Assumed Decrease, Primarily Facility Rent Related</b>	<b>Total Adjustments</b>	<b>Revised Projection</b>	
9	<b>LOCAL SERVICES TAX</b>												
10	CURRENT REAL ESTATE TAX	\$99,954,436	\$99,954,436								\$0	\$99,954,436	
11	REAL ESTATE TAX-REFERENDUM DEBT	4,946,210	4,946,210								-	4,946,210	
12	EARNED INCOME TAX	18,850,000	18,850,000	(850,000)							(850,000)	18,000,000	
13	REALTY TRANSFER TAX	2,200,000	2,910,000		(210,000)						(210,000)	2,700,000	
14	DELINQUENT REAL ESTATE TAX	1,100,000	1,100,000			(350,000)					(350,000)	750,000	
15	INTERIM REAL ESTATE TAX	600,000	890,900					(210,900)			(210,900)	680,000	
16	IDEA-B	740,000	761,373								-	761,373	
17	PAYMENTS IN LIEU OF TAX	664,382	674,646								-	674,646	
18	LOCAL SERVICES TAX	406,000	390,000								-	390,000	
19	TUITION	1,420,000	1,574,049						(385,693)		(385,693)	1,188,356	
20	MISC LOCAL REVENUE	611,705	1,829,012							(39,392)	(39,392)	1,789,620	
21	PUBLIC UTILITY REALTY TAX	117,190	117,190								-	117,190	
22	INTEREST ON INVESTMENTS	400,000	1,000,000								-	1,000,000	
23													
24	<b>TOTAL LOCAL</b>	<b>132,009,923</b>	<b>134,997,816</b>	<b>(850,000)</b>	<b>(210,000)</b>	<b>(350,000)</b>	<b>(210,900)</b>	<b>(385,693)</b>	<b>(39,392)</b>	<b>(2,045,985)</b>	<b>132,951,831</b>		
25													
26	<b>STATE</b>												
27	BASIC ED INSTR SUBSIDY	8,407,038	8,407,038								-	8,407,038	
28	SPECIAL ED REVENUE-REGULR	3,323,982	3,323,982								-	3,323,982	
29	REV. FOR RETIREMENT	12,169,441	12,146,204								-	12,146,204	
30	REV. FOR SOCIAL SECURITY	2,719,036	2,713,815								-	2,713,815	
31	PROPERTY TAX REDUCTION	1,423,580	1,423,580								-	1,423,580	
32	TRANSPORTATION REVENUE	800,000	800,000								-	800,000	
33	BOND REIMBURSEMENTS	584,918	278,771								-	278,771	
34	HEALTH SERVICES REVENUE	140,000	140,000								-	140,000	
35	READY TO LEARN GRANT	310,013	310,013								-	310,013	
36	SAFETY GRANTS	20,000	30,000								-	30,000	
37	VOCATIONAL EDUCATION	250,379	250,379								-	250,379	
38	OTHER STATE REVENUE	632,900	901,112								-	901,112	
39	TUITION - 1305/1306	130,000	130,000								-	130,000	
40	<b>TOTAL STATE</b>	<b>30,911,288</b>	<b>30,854,894</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,854,894</b>	
41													
42	<b>FEDERAL</b>												
43	TITLE I REVENUE	744,552	749,932								-	749,932	
44	TITLE II REVENUE	156,489	165,800								-	165,800	
45	ACCESS FUNDS	250,000	377,764								-	377,764	
46	OTHER FEDERAL REVENUE	60,000	74,168								-	74,168	
47	TITLE III REVENUE	35,000	45,572								-	45,572	
48													
49	<b>TOTAL FEDERAL</b>	<b>1,246,041</b>	<b>1,413,236</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,413,236</b>	
50													
51	<b>TOTAL REVENUE</b>	<b>\$164,167,252</b>	<b>\$167,265,946</b>	<b>(\$850,000)</b>	<b>(\$210,000)</b>	<b>(\$350,000)</b>	<b>(\$210,900)</b>	<b>(\$385,693)</b>	<b>(\$39,392)</b>	<b>(\$2,045,985)</b>	<b>\$165,219,961</b>		
52	<p>3/2/20 vs. 12/2/19 -Local revenue includes increased realty transfer tax revenue related to large transactions, higher than originally projected interim tax billings, \$1.3 million sale of the Lemont Elementary building and other changes to reflect actual revenue to date in excess of previously projected. State revenue decreased to reflect the removal of the reimbursement related to the referendum debt as the timing of receipts is not known, and an increase in projected DCED grant revenue. Federal revenue increased primarily due to additional revenue from the Intermediate Unit related to Access reimbursement for transportation.</p>												
53													
54													
55	(1) Estimated YTD March 2020 growth was approximately 4%. Assumed decrease in payment related to income tax filings due to 7/15/2020 extension. Assumed decrease of approximately 30% for receipts related to collections after March/April.												
56	(2) Assumed significant reduction in transfer tax related to property transfers in April - June 2020.												
57	(3) Assumes no additional CEEL services in 2019-20 and refunding of all prepaid amounts.												
58													

	A	B	C	D	E	F	G	H	I
1	<b>State College Area School District</b>								
2	<b>General Fund Expenses and Fund Balance Transfers</b>								
3	<b>Projected 2019-20</b>								
4									
5									
		<b>Board</b>	<b>Board</b>		<b>Decrease in</b>	<b>Proposed</b>			
		<b>Presentation</b>	<b>Presentation</b>		<b>Capital Reserve</b>	<b>Assignment of</b>			
		<b>12/2/19</b>	<b>3/2/20</b>		<b>Transfer to</b>	<b>Fund Bal for</b>		<b>Total</b>	<b>Revised</b>
6					<b>Original Budget</b>	<b>Future COVID-19</b>		<b>Adjustments</b>	<b>Projection</b>
7	Salaries	\$72,392,841	\$72,397,353						\$72,397,353
8	Health Insurance	13,800,964	13,542,321						13,542,321
9	PSERS	24,290,626	24,292,408						24,292,408
10	Other Benefits	7,029,120	6,987,128						6,987,128
11	Professional Services	3,686,457	3,532,635						3,532,635
12	Purchased Property Services	1,434,744	1,450,911						1,450,911
13	Charter School Expense	6,921,425	6,000,513						6,000,513
14	Other Purchased Services	6,598,350	6,657,764						6,657,764
15	Supplies/Equipment	7,980,293	8,182,229						8,182,229
16	Minor Capital Projects	2,225,174	2,258,549						2,258,549
17	Transfers/contingencies	1,667,512	1,655,449						1,655,449
18	Debt Service	7,453,050	7,453,050						7,453,050
19	Debt Service - Referendum Debt	5,258,625	5,258,625						5,258,625
20	Transfer to Capital Projects-DCED Grant	632,900	901,112						901,112
21	<b>Total Expense before transfer to capital reserve and fund balance use</b>	161,372,081	160,570,047						160,570,047
22									
23	Transfer to Capital Reserve	3,639,500	7,311,500		(5,528,000)			(5,528,000)	1,783,500
24	Fund Balance Assignment/Use (COVID-19)					3,920,000		3,920,000	3,920,000
25	Fund Balance Use (PSERS/Legal)	(659,620)	(659,620)					-	(659,620)
26	<b>Total Transfer to Capital Reserve and fund balance use</b>	2,979,880	6,651,880		(5,528,000)	3,920,000		(1,608,000)	5,043,880
27									
28	<b>Total Expenses and Transfers</b>	<b>\$ 164,351,961</b>	<b>\$ 167,221,927</b>		<b>\$ (5,528,000)</b>	<b>\$ 3,920,000</b>		<b>\$ (1,608,000)</b>	<b>\$ 165,613,927</b>
29									
30									
31	<b>Total Debt Service (General + Capital Reserve Fund)</b>								
32	Debt Service Paid from Capital Reserve (a)	\$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
34									
35	Interest included in Debt Service	\$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>								
37									
38	3/2/20 vs. 12/2/19 - Health insurance reflects updated projection based on January membership. Professional services costs are estimated to be lower than preliminary estimate. Charter school expense is updated based upon primarily February 2020 student counts. Supplies and equipment reflect security camera cost. Transfer to Capital Projects for DCED grant funds reflects updated estimate of remaining elementary grants. Transfer to the Capital Reserve fund includes a separate line to show the impact of excess local revenues versus budget (to stay within 8% of unassigned fund balance).								
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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	<b>State College Area School District</b>															
2	<b>General Fund Revenue</b>															
3	<b>Budget 2020-21</b>															
4																
5																
6		<b>Preliminary</b>	<b>Board</b>		<b>Decreased</b>	<b>Decrease in</b>	<b>Decrease in</b>	<b>Decrease</b>	<b>Assumed</b>	<b>Assumed</b>	<b>Further Decr</b>	<b>Decrease</b>				
7		<b>Budget -</b>	<b>Presentation</b>	<b>0% Tax</b>	<b>Assessed</b>	<b>Collection %</b>	<b>EIT growth</b>	<b>Transfer Tax to</b>	<b>Decrease in</b>	<b>Decr in</b>	<b>in Interest to</b>	<b>Related to</b>	<b>Total</b>	<b>Revised</b>		
8		<b>12/2/19</b>	<b>3/2/20</b>	<b>Increase</b>	<b>Value Growth</b>	<b>from 97.1% to</b>	<b>from 2.5% to</b>	<b>lowest in at</b>	<b>Delinquent</b>	<b>Interim Tax</b>	<b>Reflect Rate</b>	<b>Salary</b>	<b>Adjustments</b>	<b>Budget</b>		
9					<b>From 1.2% to</b>	<b>95%(2)</b>	<b>5.5% (3)</b>	<b>least 13 years</b>	<b>Collections</b>	<b>to 2009-10</b>	<b>Decrease</b>	<b>Decrease</b>				
10					<b>.8% (1)</b>					<b>level</b>						
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3/2/20 vs. 12/2/19 - Local revenue was updated based upon current year revenue to date and additional review of revenue trends. Retirement revenue reflects an increase in projected salaries offset by a decrease in the PSERS rate based upon the December 2019 actuarial report. Title revenue reflects updated estimates.

(1) Assumes assessed value growth of 1.36% through mid-March 2020 will be offset by the impact of assessment appeals. The assumed growth of .8% is the second lowest rate of growth in at least 18 years.

(2) The budgeted collection percentage was estimated at 97.1%, consistent with the percentage for the past five years. The lowest collection percentage in the last ten years was 96.4%.

(3) The lowest percentage decrease in earned income tax revenue in the past twelve years was -1.1%. The proposed decrease of -5.5% is estimated based on the perceived severity of the economic impact.

	A	B	C	D	E	F	G	H	I	J	K	L
1	<b>State College Area School District</b>											
2	<b>General Fund Expenses and Fund Balance Transfers</b>											
3	<b>Budget 2020-21</b>											
4												
5		<b>Preliminary Budget - 12/2/19</b>	<b>Board Presentation 3/2/20</b>	<b>Eliminate Proposed Additions (1)</b>	<b>Spousal Coverage (2)</b>	<b>Special Ed (3)</b>	<b>Eliminate Transfer to Cap Reserve</b>	<b>Use of COVID- 19 Fund Bal</b>	<b>Total Adjustments</b>	<b>Revised Budget</b>		
6	Salaries	\$74,476,245	\$75,591,943	\$ (480,525)					\$ (480,525)	75,111,419		
7	Health Insurance	15,595,089	15,518,975	(196,519)	500,000				303,481	15,822,457		
8	PSERS	25,339,502	25,542,422	(162,273)					(162,273)	25,380,149		
9	Other Benefits	7,204,682	7,367,223	(49,285)					(49,285)	7,317,938		
10	Professional Services	3,676,878	3,968,202	(200,000)					(200,000)	3,768,202		
11	Purchased Property Services	1,459,135	1,398,770						-	1,398,770		
12	Charter School Expense	7,040,000	6,489,092						-	6,489,092		
13	Other Purchased Services	6,675,361	6,781,011			300,000			300,000	7,081,011		
14	Supplies/Equipment	7,672,204	7,389,498						-	7,389,498		
15	Minor Capital Projects	2,269,677	2,269,677						-	2,269,677		
16	Transfers/contingencies	1,321,017	1,547,119						-	1,547,119		
17	Debt Service	7,469,638	7,469,638						-	7,469,638		
18	Debt Service - Referendum Debt	5,258,125	5,258,125						-	5,258,125		
19	Transfer to Capital Projects-DCED Grant	-	-						-	-		
20	<b>Total Expense before transfer to capital reserve and fund balance use</b>	<b>165,457,553</b>	<b>166,591,696</b>	<b>(1,088,602)</b>	<b>500,000</b>	<b>300,000</b>	<b>-</b>	<b>-</b>	<b>(288,602)</b>	<b>166,303,094</b>		
21												
22	Transfer to Capital Reserve	2,248,000	2,248,000				(2,248,000)		(2,248,000)	-		
23	Fund Balance Use (COVID-19)							(3,920,000)	(3,920,000)	(3,920,000)		
24	Fund Balance Use (PSERS/Legal)	(396,159)	(396,159)						0	(396,159)		
25	<b>Total Transfer to Capital Reserve and fund balance use</b>	<b>1,851,841</b>	<b>1,851,841</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,248,000)</b>	<b>(3,920,000)</b>	<b>(6,168,000)</b>	<b>(4,316,159)</b>		
26												
27	<b>Total Expenses and Transfers</b>	<b>\$167,309,394</b>	<b>\$168,443,537</b>	<b>\$ (1,088,602)</b>	<b>\$ 500,000</b>	<b>\$ 300,000</b>	<b>\$ (2,248,000)</b>	<b>\$ (3,920,000)</b>	<b>\$ (6,456,602)</b>	<b>\$ 161,986,936</b>		
28												
29	<b>Total Debt Service (General + Capital Reserve Fund)</b>											
30	Debt Service Paid from Capital Reserve (a)	\$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		
32												
33	Interest included in Debt Service	\$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	<b>3/2/20 vs. 12/2/19</b> -Proposed additions to the budget totalling \$1.1 million are included in salaries (\$509K), all benefits (\$438K), and professional services (\$200K). Additional increases in salaries and related benefits and decreased health insurance are based upon more detailed analysis. PSERS reflects changes in salaries offset by the impact of a lower PSERS percentage (34.51% vs. 34.77% based on 12/2019 actuarial report). The assumed student count for Charter School expense was decreased based on 2019-20 estimated enrollment. Other offsetting changes in other lines items are based upon more detailed expense projections. Transfers/contingencies includes a proposed increase in the annual contingency.											
36												
37												
38	(1) Assumes elimination of proposed budget additions (\$1,147,154) except for the grant funded .5 social worker position (\$58,552).											
39	(2) Estimated spousal coverage increase related to loss of health insurance.											
40	(3) Estimated additional special ed tuition necessary to provide students with services not available during COVID-19 building closure.											
41												

	A	B	C	D	E	F
1	<b>State College Area School District</b>					
2	<b>General Fund Activity</b>					
3	<b>Budget 2020-21</b>					
4						
13						
14		<b>Preliminary</b>	<b>Board</b>		<b>4/6/20 vs.</b>	
15		<b>12/2/19</b>	<b>Presentation</b>	<b>4/6/20</b>	<b>3/2/20</b>	
16	<b>Beginning Fund Balance</b>	\$13,069,150	\$13,297,879	\$12,859,894	(\$437,985)	a
17						
18	<b>Revenue</b>	167,701,813	168,500,530	159,500,257	(9,000,272)	
19						
20	Local	135,759,245	136,270,123	127,368,999	(8,901,124)	
21	State	30,841,079	31,025,635	30,926,486	(99,149)	
22	Federal	1,101,489	1,204,772	1,204,772	-	
23						
24	<b>Expense (including capital reserve transfer)</b>	167,705,553	168,839,696	166,303,094	(2,536,602)	
25	<b>Revenue less expense</b>	(3,740)	(339,168)	(6,802,838)	(6,463,671)	b
26						
27	Funding (Use) of Assigned Fund Bal (COVID-19)	0	0	(3,920,000)	(3,920,000)	c
28	Funding (Use) of Assigned Fund Bal (PSERS)	(396,159)	(396,159)	(396,159)	-	d
29	<b>Change in Assigned Fund Balance</b>	(396,159)	(396,159)	(4,316,159)	(3,920,000)	e (c+d)
30						
31	<b>Change in Unassigned General Fund Balance</b>	392,419	56,992	(2,486,679)	(2,543,671)	f (b-e)
32						
33	<b>Ending Unassigned Fund Balance</b>	<u>\$13,461,569</u>	<u>\$13,354,871</u>	<u>\$10,373,215</u>	<u>(\$2,981,656)</u>	(a+f)
34						
35	<b>Unassigned Fund Balance Percentage</b>	8.0%	7.9%	6.2%		
36	<b>3/2/20 vs. 12/2/19</b> - Beginning unassigned fund balance reflects adjustment to be within 8% limit after changes to projected revenue and expense. Ending Unassigned Fund Balance is 7.9% of expenses.					

# Attachment B

	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	4/2/2020															
4																
5																
6																
15																
16																
17	<b>Beginning Fund Balance</b>	\$12,252,696	\$12,756,751	\$13,253,860	\$12,859,894	\$10,373,214	\$4,625,772	-\$1,137,043	-\$7,556,923	-\$14,687,411	-\$23,157,284	-\$31,667,611	-\$41,335,219	-\$49,747,483	i	
18																
19	<b>Revenue</b>	167,123,000	163,412,382	165,219,961	159,500,257	165,346,665	171,212,942	175,987,733	180,738,743	185,770,931	190,776,876	195,996,627	201,005,751	206,371,129		
21	Local	130,199,417	131,317,928	132,951,831	127,368,999	132,824,603	138,032,490	142,242,272	146,479,801	150,850,387	155,357,029	160,012,786	164,813,328	169,761,931		
22	State	35,452,531	30,848,413	30,854,894	30,926,486	31,417,290	32,075,679	32,640,689	33,154,170	33,815,772	34,315,075	34,879,069	35,087,651	35,504,426		
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	<b>Expense and transfers (excluding use of fund balance)</b>	167,329,409	163,938,228	162,353,547	166,303,095	171,490,265	177,371,916	182,803,772	188,265,389	194,240,804	199,287,204	205,664,235	209,418,015	216,202,816		
26	<b>Revenue less expense</b>	(206,409)	(525,846)	2,866,414	(6,802,839)	(6,143,601)	(6,158,974)	(6,816,039)	(7,526,647)	(8,469,873)	(8,510,327)	(9,667,608)	(8,412,264)	(9,831,687)	ii	
27																
28	<b>Funding/(Use) of Assigned Fund Balance (COVID-19)</b>			3,920,000	(3,920,000)	-	-	-	-	-	-	-	-	-	-	iii
29	<b>(Use) of Assigned Fund Balance (PSERS/Legal Liability)</b>	(1,207,573)	(659,620)	(659,620)	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	0	0	0	0	0	iv	
30	<b>Incr (Decr) in Assigned Fund Balance</b>	(1,207,573)	(659,620)	3,260,380	(4,316,159)	(396,159)	(396,159)	(396,159)	(396,159)	-	-	-	-	-	v (iii+iv)	
31																
32	<b>Change in Unassigned General Fund Balance</b>	1,001,164	133,774	(393,966)	(2,486,680)	(5,747,442)	(5,762,815)	(6,419,880)	(7,130,488)	(8,469,873)	(8,510,327)	(9,667,608)	(8,412,264)	(9,831,687)	vi (ii-v)	
33																
34	<b>Ending Unassigned Fund Balance</b>	\$13,253,860	\$12,890,525	\$12,859,894	\$10,373,214	\$4,625,772	(\$1,137,043)	(\$7,556,923)	(\$14,687,411)	(\$23,157,284)	(\$31,667,611)	(\$41,335,219)	(\$49,747,483)	(\$59,579,170)	(i+vi)	

	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	4/2/2020													
4														
5														
6	<b>Assumptions:</b>													
7	<b>Earned Income Tax Growth (1)</b>	2.90%	2.50%	-2.11%	-5.56%	1.50%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
8	<b>Assessed Value Growth (2)</b>	1.43%	1.20%	1.95%	0.80%	0.80%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
9	<b>Exceptions</b>	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	<b>Act 1 Index</b>	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	<b>Actual/Projected Total Tax Increase</b>	2.40%	1.95%	1.95%	0.00%	2.00%	2.00%	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														
14	<b>LOCAL SERVICES TAX</b>													
16	CURRENT REAL ESTATE TAX	\$96,102,333	\$99,167,790	\$99,954,436	\$98,499,105	\$102,571,179	\$107,375,772	\$111,042,729	\$114,823,437	\$118,733,080	\$122,765,251	\$126,928,184	\$131,223,080	\$135,656,225
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	17,000,000	17,260,000	17,610,000	18,050,000	18,500,000	18,960,000	19,430,000	19,920,000	20,420,000	20,930,000
19	REALTY TRANSFER TAX	3,070,277	2,200,000	2,700,000	1,350,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000
20	DELINQUENT REAL ESTATE TAX	1,190,289	1,100,000	750,000	900,000	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	680,000	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	<b>TOTAL LOCAL</b>	<b>130,199,417</b>	<b>131,317,928</b>	<b>132,951,831</b>	<b>127,368,999</b>	<b>132,824,603</b>	<b>138,032,490</b>	<b>142,242,272</b>	<b>146,479,801</b>	<b>150,850,387</b>	<b>155,357,029</b>	<b>160,012,786</b>	<b>164,813,328</b>	<b>169,761,931</b>
31														
32	<b>STATE</b>													
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	12,146,204	12,690,075	13,150,000	13,750,000	14,250,000	14,700,000	15,300,000	15,800,000	16,300,000	16,600,000	16,950,000
36	REV. FOR SOCIAL SECURITY	2,536,120	2,719,036	2,713,815	2,815,552	2,883,125	2,949,437	3,014,324	3,077,625	3,139,178	3,201,961	3,266,000	3,331,320	3,397,947
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	<b>TOTAL STATE</b>	<b>35,452,531</b>	<b>30,848,413</b>	<b>30,854,894</b>	<b>30,926,486</b>	<b>31,417,290</b>	<b>32,075,679</b>	<b>32,640,689</b>	<b>33,154,170</b>	<b>33,815,772</b>	<b>34,315,075</b>	<b>34,879,069</b>	<b>35,087,651</b>	<b>35,504,426</b>
48														
49	<b>FEDERAL</b>													
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	<b>TOTAL FEDERAL</b>	<b>1,471,051</b>	<b>1,246,041</b>	<b>1,413,236</b>	<b>1,204,772</b>	<b>1,104,772</b>	<b>1,104,772</b>	<b>1,104,772</b>	<b>1,104,772</b>	<b>1,104,772</b>	<b>1,104,772</b>	<b>1,104,772</b>	<b>1,104,772</b>	<b>1,104,772</b>
57														
58	<b>TOTAL REVENUE</b>	<b>167,123,000</b>	<b>163,412,382</b>	<b>165,219,961</b>	<b>159,500,257</b>	<b>165,346,665</b>	<b>171,212,942</b>	<b>175,987,733</b>	<b>180,738,743</b>	<b>185,770,931</b>	<b>190,776,876</b>	<b>195,996,627</b>	<b>201,005,751</b>	<b>206,371,129</b>
59														

- (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	<b>State College Area School District</b>														
82	<b>General Fund Expenses and Fund Balance Transfers</b>														
83	<b>4/2/2020</b>														
84															
85															
86			<b>Actual 2018-2019</b>	<b>Budget 2019-2020</b>	<b>Projected 2019-2020</b>	<b>Budget 2020-2021</b>	<b>Projected 2021-2022</b>	<b>Projected 2022-2023</b>	<b>Projected 2023-2024</b>	<b>Projected 2024-2025</b>	<b>Projected 2025-2026</b>	<b>Projected 2026-2027</b>	<b>Projected 2027-2028</b>	<b>Projected 2028-2029</b>	<b>Projected 2029-2030</b>
87															
88	Salaries		69,490,777	72,536,652	72,397,353	75,111,419	76,914,093	78,683,117	80,414,146	82,102,843	83,744,900	85,419,798	87,128,194	88,870,758	90,648,173
89	Health Insurance		12,563,861	13,950,662	13,542,321	15,822,457	17,879,376	20,203,695	22,224,065	24,446,471	26,891,119	29,580,230	32,538,253	35,792,079	39,371,287
90	PSERS		22,561,701	24,338,881	24,292,408	25,380,149	26,300,000	27,500,000	28,500,000	29,400,000	30,600,000	31,600,000	32,600,000	33,200,000	33,900,000
91	Other Benefits		6,797,767	7,158,493	6,987,128	7,317,938	7,500,000	7,700,000	7,900,000	8,100,000	8,300,000	8,500,000	8,700,000	8,900,000	9,100,000
92	Professional Services		3,150,563	3,647,514	3,532,635	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	1,450,911	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	6,657,764	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	8,182,229	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	1,655,449	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	-	0	0	0	0	0	0	0	-	-
103	Fund Balance Assignment/Use (COVID-19)		-	-	3,920,000	(3,920,000)	-	-	-	-	-	-	-	-	-
104	Fund Balance Use (PSERS/Legal)		(1,207,573)	(659,620)	(659,620)	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	-	-	-	-	-
105															
106	<b>Total Expenses and Fund Balance Transfers</b>		<b>\$166,121,836</b>	<b>\$163,278,608</b>	<b>\$165,613,927</b>	<b>\$161,986,936</b>	<b>\$171,094,106</b>	<b>\$176,975,757</b>	<b>\$182,407,613</b>	<b>\$187,869,230</b>	<b>\$194,240,804</b>	<b>\$199,287,204</b>	<b>\$205,664,235</b>	<b>\$209,418,015</b>	<b>\$216,202,816</b>
107															
108	<b>Total Expense and Transfers (excl fund balance use)</b>		<b>\$167,329,409</b>	<b>\$163,938,228</b>	<b>\$166,273,547</b>	<b>\$162,383,095</b>	<b>\$171,490,265</b>	<b>\$177,371,916</b>	<b>\$182,803,772</b>	<b>\$188,265,389</b>	<b>\$194,240,804</b>	<b>\$199,287,204</b>	<b>\$205,664,235</b>	<b>\$209,418,015</b>	<b>\$216,202,816</b>
109															
110	<b>Total Debt Service (General + Capital Reserve Fund)</b>														
111	Debt Service Paid from Capital Reserve (1)		\$3,444,319	\$4,916,966	\$4,079,915	\$4,848,525	\$4,855,775	\$4,856,300	\$4,851,800	\$4,847,925	\$4,854,300	\$4,845,800	\$4,847,175	\$4,852,925	\$4,852,925
112	Total Debt Service (including referendum debt)		\$16,311,977	\$17,716,374	\$16,791,590	\$17,576,288	\$17,553,438	\$17,478,488	\$17,479,188	\$17,479,063	\$17,475,850	\$16,439,875	\$16,440,400	\$13,890,450	\$13,893,875
113															
114	Interest included in Debt Service		\$8,976,977	\$9,149,323	\$9,111,590	\$9,266,288	\$8,858,438	\$8,498,488	\$8,054,188	\$7,584,063	\$7,090,850	\$6,644,875	\$6,210,400	\$5,755,450	\$5,408,875
115	<i>(1) Debt service for Series 2018 and Series 2019 Bonds for all years is included in the Capital Reserve Fund.</i>														

	B	C	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF
1	<b>State College Area School District</b>														
2	<b>General Fund Balance</b>														
3	<b>4/2/2020</b>														
4															
5				<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
6				<b>2018-2019</b>	<b>2019-2020</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>	<b>2023-2024</b>	<b>2024-2025</b>	<b>2025-2026</b>	<b>2026-2027</b>	<b>2027-2028</b>	<b>2028-2029</b>
7	<b>General Fund - Unassigned</b>														
8	Beginning Balance	\$12,252,696	\$12,756,751	\$13,253,860	\$12,859,894	\$10,321,610	\$4,477,283	(\$1,335,657)	(\$7,808,543)	(\$15,045,133)	(\$23,574,437)	(\$32,147,814)	(\$41,882,404)	(\$50,415,930)	
9															
10	Revenue less Expense	1,001,164	133,774	(393,966)	(2,538,283)	(5,844,327)	(5,812,939)	(6,472,887)	(7,236,589)	(8,529,305)	(8,573,377)	(9,734,590)	(8,533,526)	(9,907,606)	
11															
12	<b>General Fund - Unassigned</b>	<b>13,253,860</b>	<b>12,890,525</b>	<b>12,859,894</b>	<b>10,321,610</b>	<b>4,477,283</b>	<b>(1,335,657)</b>	<b>(7,808,543)</b>	<b>(15,045,133)</b>	<b>(23,574,437)</b>	<b>(32,147,814)</b>	<b>(41,882,404)</b>	<b>(50,415,930)</b>	<b>(60,323,536)</b>	
13															
14	% of Expense (subject to 8% cap)	7.92%	7.86%	7.92%	6.20%	2.61%	-0.75%	-4.27%	-7.98%	-12.13%	-16.13%	-20.36%	-24.05%	-27.89%	
15															
16															
17	<b>General Fund - Assigned</b>														
18	<b>PSERS</b>														
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	<b>Debt Service/Capital</b>														
27	Beginning Balance		-	-	-	-	-	-	-	-	-	-	-	-	
28															
29	Additions		-	-	-	-	-	-	-	-	-	-	-	-	
30	Uses		-	-	-	-	-	-	-	-	-	-	-	-	
31															
32	Ending Fund Balance		-	-	-	-	-	-	-	-	-	-	-	-	
33															
42	<b>COVID-19</b>														
43	Beginning Balance	-	-	-	3,920,000	-	-	-	-	-	-	-	-	-	
44															
45	Additions/Use			3,920,000	(3,920,000)	-	-	-	-	-	-	-	-	-	
46															
47															
48	Ending Fund Balance	-	-	3,920,000	-	-	-	-	-	-	-	-	-	-	
49															
50															
51	<b>Total General Fund - Assigned</b>	<b>2,640,414</b>	<b>1,980,794</b>	<b>5,900,794</b>	<b>1,584,635</b>	<b>1,188,476</b>	<b>792,317</b>	<b>396,158</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
52															
53	<b>Total General Fund</b>	<b>15,894,274</b>	<b>14,871,319</b>	<b>18,760,688</b>	<b>11,906,245</b>	<b>5,665,759</b>	<b>(543,340)</b>	<b>(7,412,385)</b>	<b>(15,045,133)</b>	<b>(23,574,437)</b>	<b>(32,147,814)</b>	<b>(41,882,404)</b>	<b>(50,415,930)</b>	<b>(60,323,536)</b>	



	B	C	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF
57	<b>State College Area School District</b>														
58	<b>Capital Reserve Fund</b>														
59	<b>4/2/2020</b>														
60															
61			<b>Actual</b>	<b>Projected</b>	<b>Projected</b>	<b>Budget</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
62			<b>2018-2019</b>	<b>(6.26.19)</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>	<b>2023-2024</b>	<b>2024-2025</b>	<b>2025-2026</b>	<b>2026-2027</b>	<b>2027-2028</b>	<b>2028-2029</b>	<b>2029-2030</b>
63															
64	Beginning Balance		\$62,683,123	\$62,775,791	\$65,352,257	\$64,622,655	\$57,912,271	\$51,640,222	\$45,481,764	\$41,538,027	\$37,519,160	\$31,008,513	\$24,376,410	\$17,610,332	\$10,703,296
65															
66	Additions:														
67	Transfer		8,175,289	1,783,500	1,783,500	-	-	-	-	-	-	-	-	-	-
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	198,341
70	Donation/Net Investment Earnings		1,331,388	1,055,516	1,107,045	273,113	718,684	832,804	709,635	630,761	550,383	420,170	287,528	152,207	14,066
71	Total Additions		9,506,677	2,839,016	4,190,545	471,474	917,060	1,031,174	908,063	829,059	748,652	618,497	485,697	350,289	212,407
72															
73	Uses:														
74	Debt Service:														
75	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)	(3,444,100)
76	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)	(1,408,825)
77	Middle School (3)		-	-	-	-	-	-	-	-	(2,405,000)	(2,404,800)	(2,404,600)	(2,404,400)	(2,404,400)
78															
79	Capital Expenditures:														
80	Athletic/Recreation Facilities (4)		(83,158)	-		(2,333,333)	(2,333,333)	(2,333,333)	-	-	-	-	-	-	-
81	MNMS HVAC		(1,687,185)	(879,750)	(306,223)										
82	South Track Lighting		(6,811)	(220,605)	(442,209)										
83	North Field Lighting		(437,220)												
84	North Field Turf		(1,178,850)	(369,550)	(91,800)										
85	Total Uses		(6,837,543)	(6,386,871)	(4,920,147)	(7,181,858)	(7,189,108)	(7,189,633)	(4,851,800)	(4,847,925)	(7,259,300)	(7,250,600)	(7,251,775)	(7,257,325)	(7,257,325)
86															
87	Net Change		2,669,133	(3,547,855)	(729,602)	(6,710,384)	(6,272,048)	(6,158,459)	(3,943,737)	(4,018,866)	(6,510,648)	(6,632,103)	(6,766,078)	(6,907,036)	(7,044,918)
88															
89	<b>Ending Fund Balance</b>		\$65,352,257	\$59,227,936	\$64,622,655	\$57,912,271	\$51,640,222	\$45,481,764	\$41,538,027	\$37,519,160	\$31,008,513	\$24,376,410	\$17,610,332	\$10,703,296	\$3,658,378
90															
91															
92															
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.														

State College Area School District  
 Fund Balance Summary - General and Capital Reserve Fund  
 4/2/2020

	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	10,373,214	4,625,772	(1,137,043)	(7,556,923)	(14,687,411)	(23,157,284)	(31,667,611)	(41,335,219)	(49,747,483)	(59,579,170)
General Assigned COVID-19	-	-	(5,845,000)	-	-	-	-	-	-	-	-	-	-
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	11,323,087	13,891,282	7,747,682	1,588,707	(5,227,332)	(12,753,978)	(21,223,850)	(29,734,178)	(39,401,785)	(47,814,050)	(57,645,736)
Capital Reserve Fund	65,352,257	59,227,936	64,622,655	57,912,271	51,640,222	45,481,764	41,538,027	37,519,160	31,008,513	24,376,410	17,610,332	10,703,296	3,658,378
Total Fund Balance	\$ 83,179,964	\$ 75,767,163	\$ 75,945,742	\$ 71,803,553	\$ 59,387,904	\$ 47,070,471	\$ 36,310,695	\$ 24,765,183	\$ 9,784,662	\$ (5,357,768)	\$ (21,791,453)	\$ (37,110,754)	\$ (53,987,359)

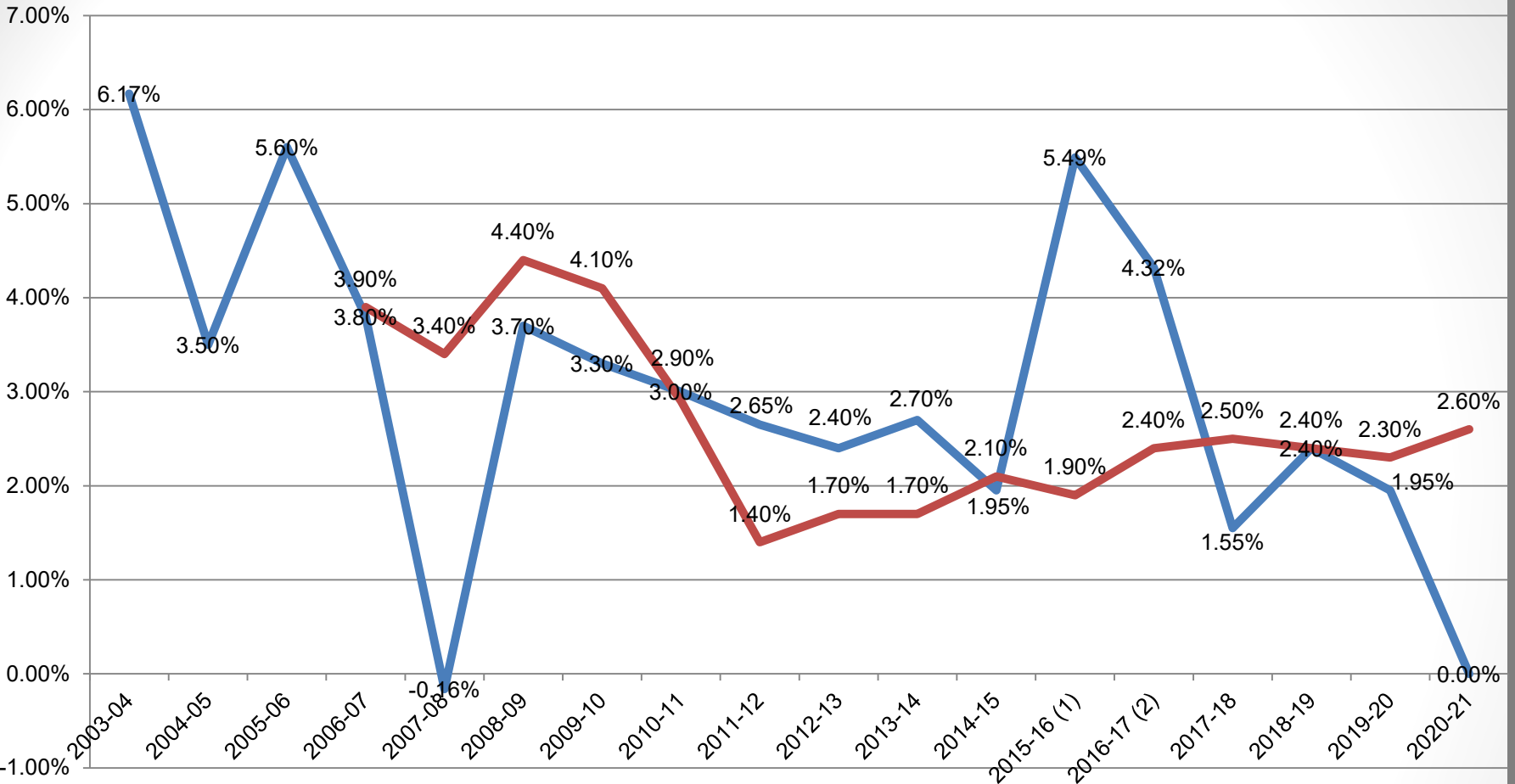
# State College Area School District



# 2020-21 Budget Development

## **State College Area School District April 6, 2020**

## Real Estate Tax Increase vs. Act 1 Index

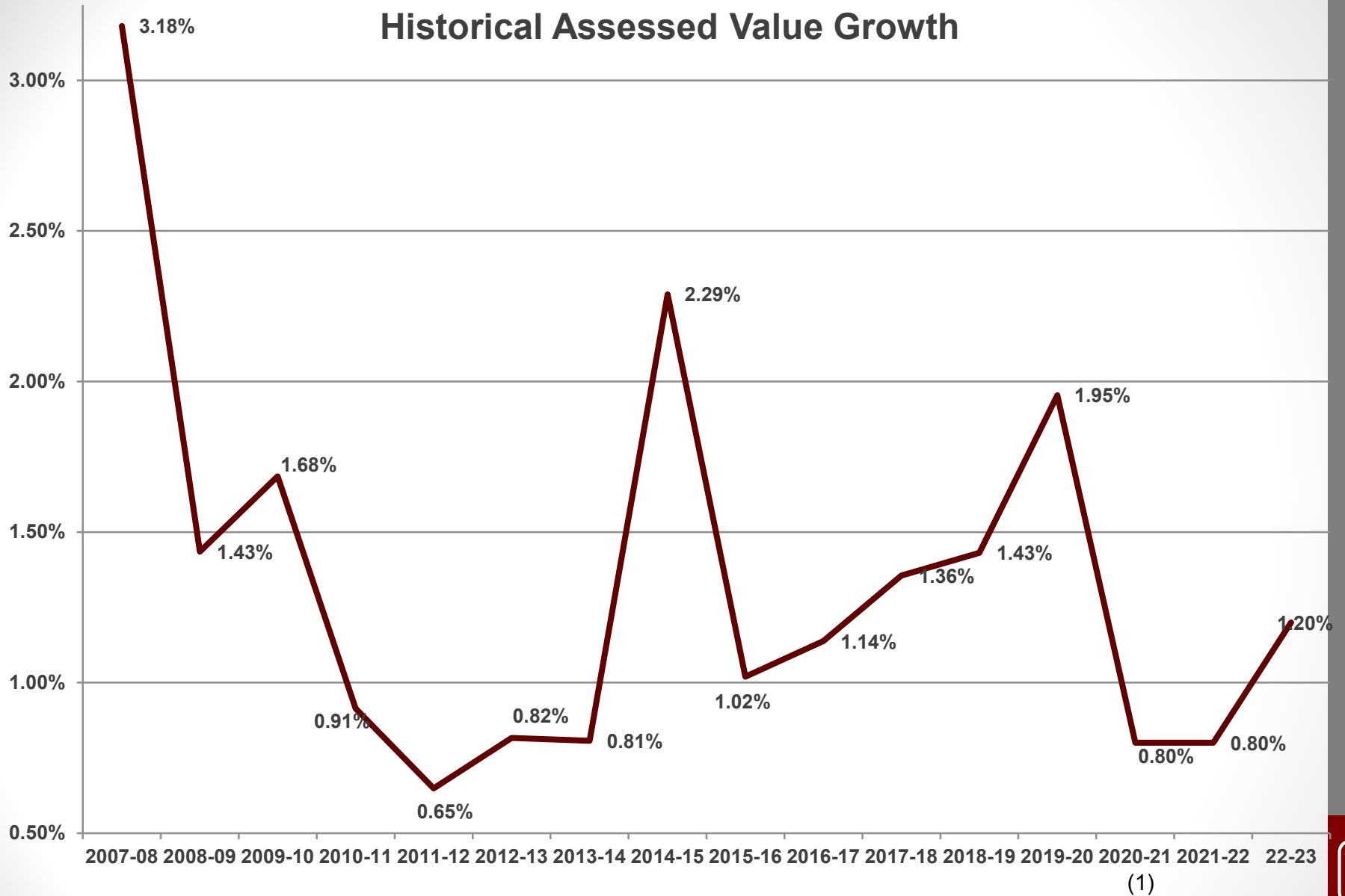


(1) Act 1 Index 1.9%, exceptions 3.59%  
 (2) Act 1 Index 2.4%, exceptions 1.92%

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

— Real Estate      — Act 1 Index

# Historical Assessed Value Growth

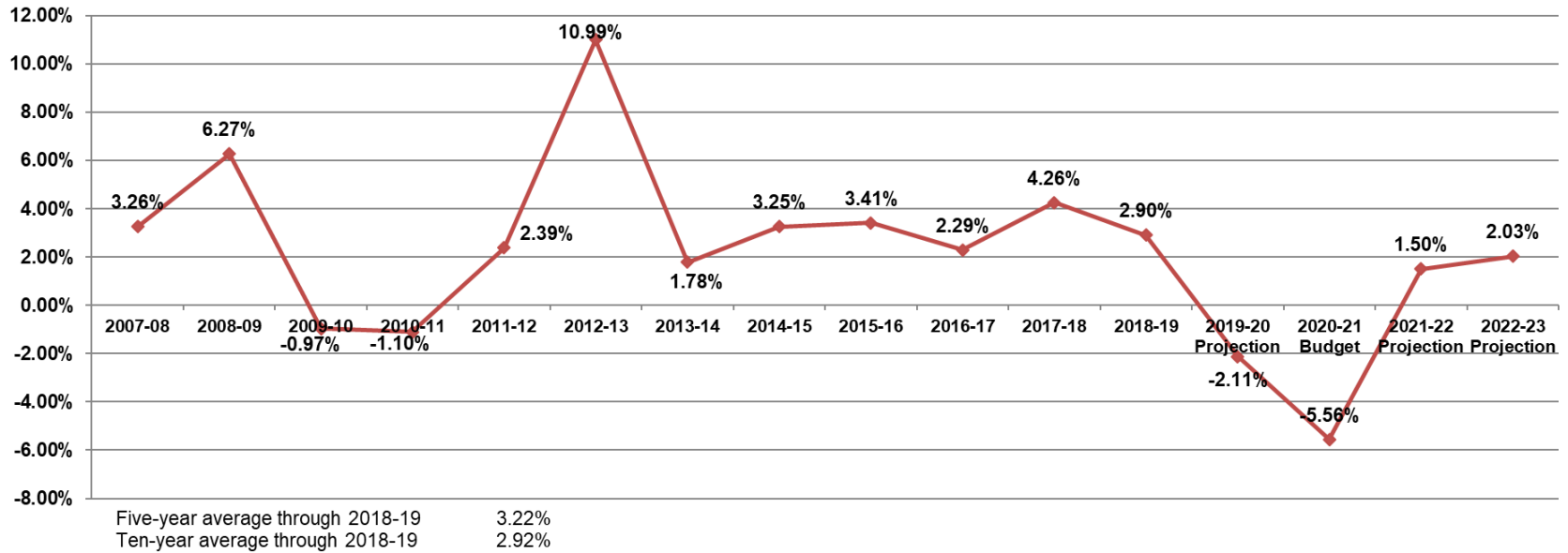


5- year average 1.45%  
 10-year average 1.21%

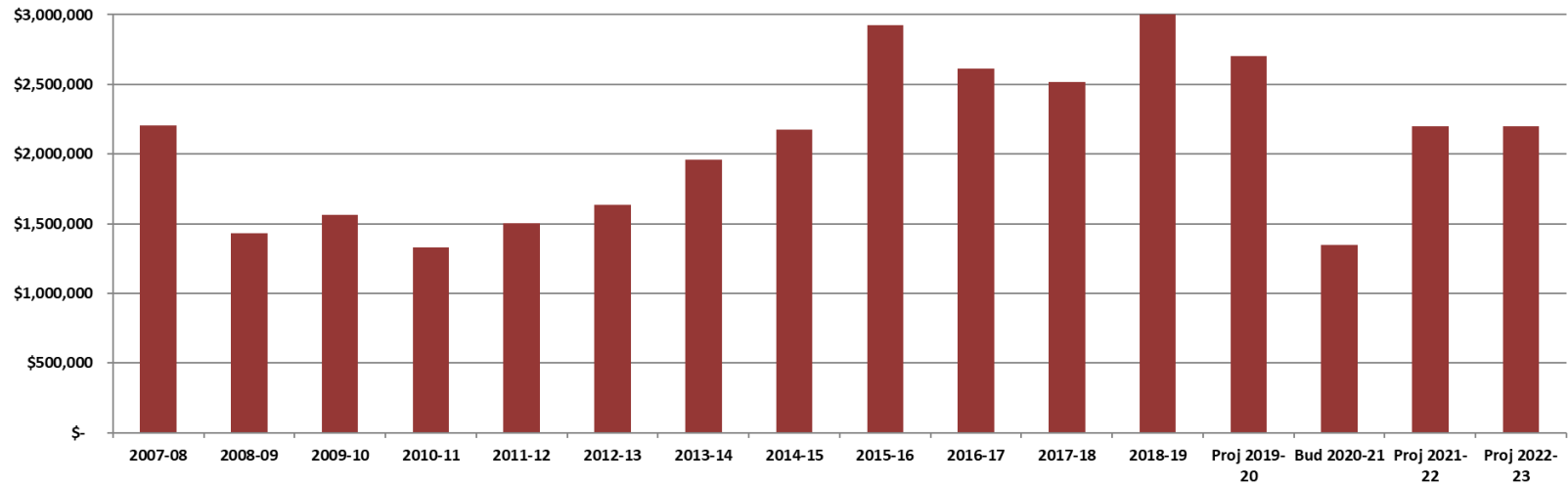
(1) Assumes assessed value growth of 1.36% through mid-March 2020 will be offset by the impact of assessment appeals.

(1)

### Earned Income Tax - Historical Percent Change



### Transfer Tax Revenue



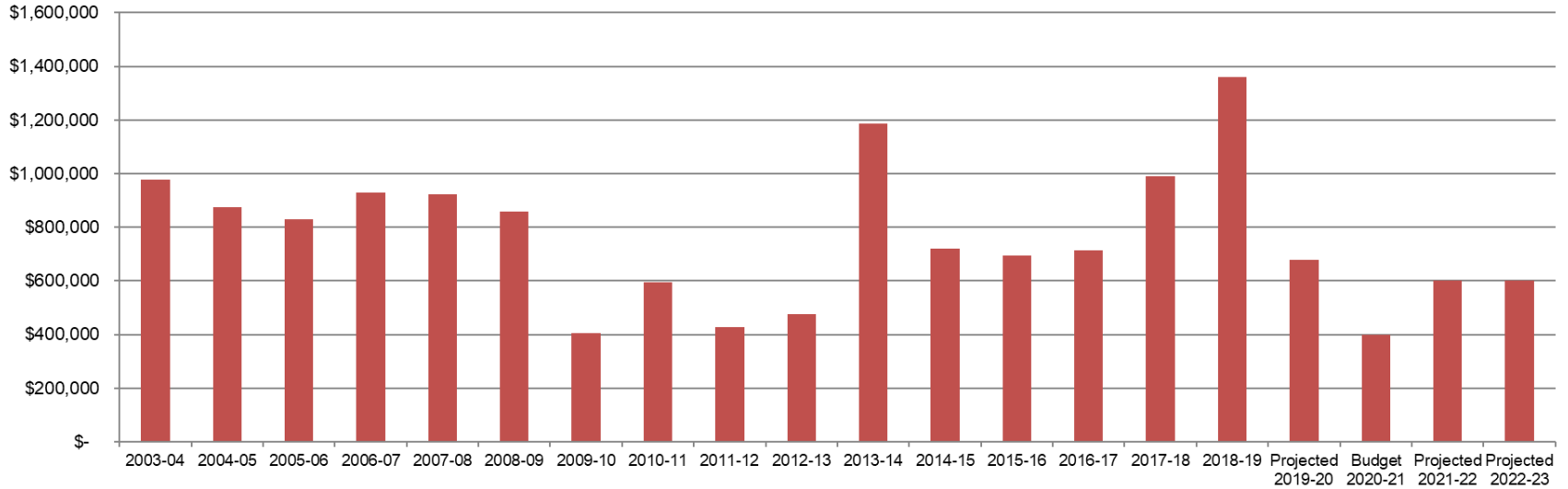
Five-year average through 2018-19 \$2,328,241\*

Ten-year average through 2018-19 \$1,979,193\*

\*Excludes 2015-16



## Historical Interim Real Estate Tax



**Note:** Properties that are not on the tax rolls prior to the July duplicate real estate tax billing are processed in off-cycle July and February billings. Revenue for 2015-16 through 2018-19 are net of supplemental tax rebates.

**Supplemental tax rebates:**  
 2015-16 \$76,590  
 2016-17 \$82,584  
 2017-18 \$88,266  
 2018-19 \$84,220