



STATE COLLEGE AREA SCHOOL DISTRICT  
Office of Finance and Operations  
240 VILLA CREST DRIVE • STATE COLLEGE PENNSYLVANIA • 16801  
TELEPHONE: 814-231-1021 • FAX: 814-272-8790

To: Robert O'Donnell  
From: Randy Brown and Donna Watson  
Subject: Accelerated Opt Out Resolution Fiscal Year 2020-2021  
Date: November 26, 2019

The administration presents the Accelerated Budget Opt Out Resolution certifying the tax rate within the inflation index (Act 1 of 2006) of 2.6% for the 2020-2021 Fiscal Year for your approval. This recommendation follows the preliminary budget discussion on November 18.

Attached is the resolution, the PDE form 2028 budget document, and the comparative revenue and expense statements for 2019-20 and 2020-21.

STATE COLLEGE AREA SCHOOL DISTRICT  
(Centre County, Pennsylvania)

**Accelerated Budget Opt Out Resolution Certifying Tax Rate Within Inflation Index  
(and No Need to Comply with Act 1 Accelerated Budget Procedures)**

**Background.** Act 1 § 311(a), 53 P.S. § 6926.311(a), requires an accelerated budget adoption timeline and procedure unless a school district, no later than 110 days before the primary election, adopts a resolution containing the certifications incorporated in this resolution. The deadline this year is January 9, 2020. After adoption of a resolution containing such certifications, § 311(d) authorizes a school district to comply with pre-Act 1 budget adoption rules as set forth in School Code § 687, 24 P.S. § 6-687. The School Board has reviewed the school district preliminary budget or has other information sufficient to make a determination that the budget for the next fiscal year can be funded based on maintaining current tax rates or increasing taxes by an amount less than or equal to the Act 1 index. In lieu of the Act 1 budget adoption timeline and procedure, the School Board wishes to make the required certifications and comply with pre-Act 1 budget adoption rules.

**RESOLVED,** that the Board of School Directors of State College Area School District, makes the following unconditional certifications:

1. The school district's various tax levies and other revenue sources will be sufficient to balance the school district final budget for the next fiscal year (2020-2021) based on maintaining current tax rates or increasing tax rates by an amount less than or equal to the Act 1 index applicable to the school district as calculated by the Pennsylvania Department of Education. This conclusion is based on the school district preliminary budget or other information available to the School Board.
2. The applicable index for the next fiscal year is 2.60%, and the School Board will not for the next fiscal year increase the rate of its real estate tax, or any other tax for the support of public education, by an amount that exceeds the applicable index.
3. The School Board has to date and in the future will comply with the rules set forth in School Code § 687 for adoption of the school district proposed and final budgets for the next fiscal year.
4. The School Board understands that the school district will not be eligible to use Act 1 referendum exceptions for the next fiscal year.

Duly adopted by the State College Area School District (Centre County, Pennsylvania)  
in lawful session assembled on this 2nd day of December, 2019.

STATE COLLEGE AREA SCHOOL  
DISTRICT

Attest:

\_\_\_\_\_  
President, Board of School Directors

\_\_\_\_\_  
Secretary

[Per Act 1 §§ 311(d)(2)(ii) and (iii), the school district must, within 5 days after adoption of this resolution submit to PDE: (1) on a PDE prescribed form, information on any proposed tax increase – **Real Estate Tax Rate Report**; and (2) a copy of this resolution.

## **Attachment A**

2020-21 Required PDE Form for Accelerated  
Budget Opt Out Resolution

ITEM

AMOUNTS

**Estimated Beginning Unreserved Fund Balance Available for Appropriation and Reserves Scheduled For Liquidation During The Fiscal Year**

- 0810 Nonspendable Fund Balance
- 0820 Restricted Fund Balance
- 0830 Committed Fund Balance
- 0840 Assigned Fund Balance
- 0850 Unassigned Fund Balance

**Total Estimated Beginning Unreserved Fund Balance Available for Appropriation and Reserves Scheduled For Liquidation During The Fiscal Year**

**Estimated Revenues And Other Financing Sources**

- 6000 Revenue from Local Sources 130,255,968
- 7000 Revenue from State Sources 1,423,580
- 8000 Revenue from Federal Sources
- 9000 Other Financing Sources

**Total Estimated Revenues And Other Financing Sources \$131,679,548**

**Total Estimated Fund Balance, Revenues, and Other Financing Sources Available for Appropriation \$131,679,548**

Amount

**REVENUE FROM LOCAL SOURCES**

6111 Current Real Estate Taxes	108,325,968
6140 Current Act 511 Taxes - Flat Rate Assessments	410,000
6150 Current Act 511 Taxes - Proportional Assessments	21,520,000

**REVENUE FROM LOCAL SOURCES \$130,255,968**

**REVENUE FROM STATE SOURCES**

7340 State Property Tax Reduction Allocation	1,423,580
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**REVENUE FROM STATE SOURCES \$1,423,580**

**TOTAL ESTIMATED REVENUES AND OTHER SOURCES 131,679,548**

Act 1 Index (current): 2.6%

Calculation Method:

Rate

Approx. Tax Revenue from RE Taxes:	\$108,325,968
Amount of Tax Relief for Homestead Exclusions	<u>\$1,423,580</u>
Total Approx. Tax Revenue:	\$109,749,548
Approx. Tax Levy for Tax Rate Calculation:	\$112,963,826

Centre

Total

2019-20 Data		
a. Assessed Value	\$2,356,956,390	\$2,356,956,390
b. Real Estate Mills	46.0875	
<b>I. 2020-21 Data</b>		
c. 2018 STEB Market Value	\$7,338,991,664	\$7,338,991,664
d. Assessed Value	\$2,403,025,514	\$2,403,025,514
e. Assessed Value of New Constr/ Renov	\$0	\$0
<b>2019-20 Calculations</b>		
f. 2019-20 Tax Levy	\$108,626,228	\$108,626,228
(a * b)		
<b>2020-21 Calculations</b>		
g. Percent of Total Market Value	100.00000%	100.00000%
<b>II.</b> h. Rebalanced 2019-20 Tax Levy	\$108,626,228	\$108,626,228
(f Total * g)		
i. Base Mills Subject to Index	46.0875	
(h / a * 1000) if no reassessment		
(h / (d-e) * 1000) if reassessment		
<b>Calculation of Tax Rates and Levies Generated</b>		
j. Weighted Avg. Collection Percentage	97.11828%	97.11828%
k. Tax Levy Needed	\$112,963,826	\$112,963,826
(Approx. Tax Levy * g)		
<b>I. 2020-21 Real Estate Tax Rate</b>	<b>47.0090</b>	
(k / d * 1000)		
<b>III.</b> m. Tax Levy Generated by Mills	\$112,963,826	\$112,963,826
(l / 1000 * d)		
n. Tax Levy minus Tax Relief for Homestead Exclusions		\$111,540,246
(m - Amount of Tax Relief for Homestead Exclusions)		
o. Net Tax Revenue Generated By Mills		\$108,325,968
(n * Est. Pct. Collection)		

Act 1 Index (current): 2.6%

Calculation Method:

Rate

Approx. Tax Revenue from RE Taxes:	\$108,325,968
Amount of Tax Relief for Homestead Exclusions	<u>\$1,423,580</u>
Total Approx. Tax Revenue:	\$109,749,548
Approx. Tax Levy for Tax Rate Calculation:	\$112,963,826

Centre

Total

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Index Maximums	Rate	Total
p. Maximum Mills Based On Index (i * (1 + Index))	47.2857	
q. Mills In Excess of Index (if l > p), (l - p))	0.0000	
r. Maximum Tax Levy Based On Index (p / 1000 * d)	\$113,628,744	\$113,628,744
IV. s. Millage Rate within Index? (If l > p Then No)	Yes	
t. Tax Levy In Excess of Index (if (m > r), (m - r))	\$0	\$0
u. Tax Revenue In Excess of Index (t * Est. Pct. Collection)	\$0	\$0

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**Information Related to Property Tax Relief**

V. Assessed Value Exclusion per Homestead	\$0.00	
Number of Homestead/Farmstead Properties		
Median Assessed Value of Homestead Properties		\$0

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Act 1 Index (current): 2.6%

<b>Calculation Method:</b>	<b>Rate</b>
<b>Approx. Tax Revenue from RE Taxes:</b>	<b>\$108,325,968</b>
<b>Amount of Tax Relief for Homestead Exclusions</b>	<b><u>\$1,423,580</u></b>
<b>Total Approx. Tax Revenue:</b>	<b>\$109,749,548</b>
<b>Approx. Tax Levy for Tax Rate Calculation:</b>	<b>\$112,963,826</b>

<b>Centre</b>	<b>Total</b>
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State Property Tax Reduction Allocation used for: Homestead Exclusions	\$1,423,580	Lowering RE Tax Rate	\$0	\$1,423,580
Prior Year State Property Tax Reduction Allocation used for: Homestead Exclusions	\$0			\$0
<b>Amount of Tax Relief from State/Local Sources</b>				<b>\$1,423,580</b>



CODE

6111 Current Real Estate Taxes

<u>County Name</u>	<u>Taxable Assessed Value</u>	<u>Real Estate Mills</u>	<u>Tax Levy Generated by Mills</u>	<u>Amount of Tax Relief for Homestead Exclusions</u>	<u>Tax Levy Minus Homestead Exclusions</u>	<u>Percent Collected</u>	<u>Net Tax Revenue Generated By Mills</u>
Centre	2,403,025,514	47.0090	112,963,826			97.11828%	
<b>Totals:</b>	<b>2,403,025,514</b>		<b>112,963,826</b>	- 1,423,580	= 111,540,246	X 97.11828%	= 108,325,968

	<u>Rate</u>		<u>Estimated Revenue</u>
6120 <u>Current Per Capita Taxes, Section 679</u>	\$0.00		0
6140 <u>Current Act 511 Taxes – Flat Rate Assessments</u>	<u>Rate</u>	<u>Add'l Rate (if appl.)</u>	<u>Tax Levy</u>
6141 Current Act 511 Per Capita Taxes	\$0.00	\$0.00	0
6142 Current Act 511 Occupation Taxes – Flat Rate	\$0.00	\$0.00	0
6143 Current Act 511 Local Services Taxes	\$5.00	\$0.00	410,000
6144 Current Act 511 Trailer Taxes	\$0.00	\$0.00	0
6145 Current Act 511 Business Privilege Taxes – Flat Rate	\$0.00	\$0.00	0
6146 Current Act 511 Mechanical Device Taxes – Flat Rate	\$0.00	\$0.00	0
6149 Current Act 511 Taxes, Other Flat Rate Assessments	\$0.00	\$0.00	0
<b>Total Current Act 511 Taxes – Flat Rate Assessments</b>			<b>410,000</b>
6150 <u>Current Act 511 Taxes – Proportional Assessments</u>	<u>Rate</u>	<u>Add'l Rate (if appl.)</u>	<u>Estimated Revenue</u>
6151 Current Act 511 Earned Income Taxes	0.950%	0.000%	19,320,000
6152 Current Act 511 Occupation Taxes	0.000	0.000	0
6153 Current Act 511 Real Estate Transfer Taxes	0.500%	0.000%	2,200,000
6154 Current Act 511 Amusement Taxes	0.000%	0.000%	0
6155 Current Act 511 Business Privilege Taxes	0.000	0.000	0
6156 Current Act 511 Mechanical Device Taxes – Percentage	0.000%	0.000%	0
6157 Current Act 511 Mercantile Taxes	0.000	0.000	0
6159 Current Act 511 Taxes, Other Proportional Assessments	0	0	0
<b>Total Current Act 511 Taxes – Proportional Assessments</b>			<b>21,520,000</b>
<b>Total Act 511, Current Taxes</b>			<b>21,930,000</b>
<b>Act 511 Tax Limit --&gt;</b>		<b>7,338,991,664 X</b>	<b>12</b>
		<b>Market Value</b>	<b>Mills</b>
			<b>88,067,900</b>
			<b>(511 Limit)</b>

Tax Function	Description	Tax Rate Charged in:		Percent Change in Rate	Less than or equal to Index	Index	Additional Tax Rate Charged in:		Percent Change in Rate	Less than or equal to Index
		2019-20 (Rebalanced)	2020-21				2019-20 (Rebalanced)	2020-21		
6111	<u>Current Real Estate Taxes</u> Centre	46.0875	47.0090	2.00%	Yes	2.6%				
	<u>Current Act 511 Taxes – Flat Rate Assessments</u>									
6143	Current Act 511 Local Services Taxes <u>Current Act 511 Taxes – Proportional Assessments</u>	\$5.00	\$5.00	0.00%	Yes	2.6%				
6151	Current Act 511 Earned Income Taxes	0.950%	0.950%	0.00%	Yes	2.6%				
6153	Current Act 511 Real Estate Transfer Taxes	0.500%	0.500%	0.00%	Yes	2.6%				

<b>Account Description</b>	<b>Amounts</b>
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0810 Nonspendable Fund Balance	
0820 Restricted Fund Balance	
0830 Committed Fund Balance	
0840 Assigned Fund Balance	
0850 Unassigned Fund Balance	131,679,548

<b>Total Ending Fund Balance - Committed, Assigned, and Unassigned</b>	<b>\$131,679,548</b>
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**5900 Budgetary Reserve**

<b>Total Estimated Ending Committed, Assigned, and Unassigned Fund Balance and Budgetary Reserve</b>	<b>\$131,679,548</b>
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## **Attachment B**

Budget vs. Projected 2019-20

Comparative Statements

**State College Area School District  
General Fund Revenue  
Budget 2019-20 vs. Projected 2019-20**

	<b>Budget 2019- 2020</b>	<b>Projected 2019-2020</b>	<b>Variance</b>
<b>LOCAL SERVICES TAX</b>			
CURRENT REAL ESTATE TAX	\$99,167,790	\$99,954,436	\$786,646 (1)
REAL ESTATE TAX-REFERENDUM DEBT	4,946,210	4,946,210	-
EARNED INCOME TAX	18,690,000	18,850,000	160,000 (2)
REALTY TRANSFER TAX	2,200,000	2,200,000	-
DELINQUENT REAL ESTATE TAX	1,100,000	1,100,000	-
INTERIM REAL ESTATE TAX	600,000	600,000	-
IDEA-B	740,000	740,000	-
PAYMENTS IN LIEU OF TAX	664,382	664,382	-
LOCAL SERVICES TAX	406,000	406,000	-
TUITION	1,674,651	1,420,000	(254,651) (3)
MISC LOCAL REVENUE	611,705	611,705	-
PUBLIC UTILITY REALTY TAX	117,190	117,190	-
INTEREST ON INVESTMENTS	400,000	400,000	0
<b>TOTAL LOCAL</b>	<b>131,317,928</b>	<b>132,009,923</b>	<b>691,995</b>
<b>STATE</b>			
BASIC ED INSTR SUBSIDY	7,921,450	8,407,038	485,588 (4)
SPECIAL ED REVENUE-REGULR	3,315,119	3,323,982	8,863 (4)
REV. FOR RETIREMENT	12,169,441	12,169,441	-
REV. FOR SOCIAL SECURITY	2,719,036	2,719,036	-
PROPERTY TAX REDUCTION	1,423,580	1,423,580	-
TRANSPORTATION REVENUE	800,000	800,000	-
BOND REIMBURSEMENTS	630,098	584,918	(45,180) (5)
HEALTH SERVICES REVENUE	140,000	140,000	-
READY TO LEARN GRANT	310,013	310,013	-
SAFETY GRANTS	20,000	20,000	-
VOCATIONAL EDUCATION	100,000	250,379	150,379 (4)
OTHER STATE REVENUE	1,169,676	632,900	(536,776) (6)
TUITION - 1305/1306	130,000	130,000	-
<b>TOTAL STATE</b>	<b>30,848,414</b>	<b>30,911,287</b>	<b>62,874</b>
<b>FEDERAL</b>			
TITLE I REVENUE	744,552	744,552	-
TITLE II REVENUE	156,489	156,489	-
ACCESS FUNDS	250,000	250,000	-
OTHER FEDERAL REVENUE	60,000	60,000	-
TITLE III REVENUE	35,000	35,000	-
<b>TOTAL FEDERAL</b>	<b>1,246,041</b>	<b>1,246,041</b>	<b>-</b>
<b>TOTAL REVENUE</b>	<b>\$163,412,382</b>	<b>\$164,167,252</b>	<b>\$754,869</b>

**State College Area School District  
General Fund Expenses and Fund Balance Transfers  
Budget 2019-20 vs. Projected 2019-20**

	Budget 2019- 2020	Projected 2019-2020	Variance
Salaries	\$ 72,536,652	\$ 72,392,841	\$ (143,811) (1)
Health Insurance	13,950,662	13,800,964	(149,698) (2)
PSERS	24,338,881	24,290,626	(48,255)
Other Benefits	7,158,493	7,029,120	(129,373) (3)
Professional Services	3,647,514	3,686,457	38,943
Purchased Property Services	1,370,308	1,434,744	64,436 (4)
Charter School Expense	6,921,425	6,921,425	-
Other Purchased Services	6,349,890	6,598,350	248,460 (5)
Supplies/Equipment	8,033,761	7,980,293	(53,468) (6)
Minor Capital Projects	2,225,174	2,225,174	-
Transfers/contingencies	1,652,884	1,667,512	14,628
Debt Service	7,540,783	7,453,050	(87,733) (7)
Debt Service - Referendum Debt	5,258,625	5,258,625	-
Transfer to Cap Projects-DCED Grant	1,169,676	632,900	(536,776) (8)
Transfer to Capital Reserve	1,783,500	3,639,500	1,856,000 (9)
Fund Balance Use (PSERS/Legal)	(659,620)	(659,620)	-
<b>Total Expenses and Fund Balance Transfers</b>	<b>\$163,278,608</b>	<b>\$164,351,961</b>	<b>\$1,073,353</b>

**Total Expense and Transfers (excl fund balance use)      \$163,938,228      \$165,011,581      \$1,073,353**

**Total Debt Service (General + Capital Reserve Fund)**

Debt Service Paid from Capital Reserve (a)	\$4,916,966	\$4,079,915	(\$837,051)
Total Debt Service (including referendum debt)	\$17,716,374	\$16,791,590	(\$924,784)
Interest included in Debt Service	\$9,111,590	\$9,266,288	\$154,697

*(a) Debt service for Series 2018 and Series 2019 Bonds for all years is included in the Capital Reserve Fund.*

## **Budget vs. Projected 2019-20 Variance Explanations**

### **Revenue Footnotes**

- (1) Projected variance related to assessed value growth of 1.95% vs. budget assumption of 1.2%.
- (2) Related to actual revenue growth in 2018-19 (2.9% vs. 2.0%).
- (3) Projected based on 2018-19 actual Community Education revenue, which was lower than projected.
- (4) Reflects state budget subsidy which was not finalized at the time the budget was approved. Special ed reimbursement is an estimate. This subsidy amount will change based on factors used in the calculation that are not available until later in the year.
- (5) Bond reimbursement reflects impact of refinancing. Projection does not include reimbursement due to the district for debt service payments related to the high school and elementary project debt paid during construction, as the timing of receipt is not known.
- (6) Reflects a portion of DCED grant revenue budgeted to be received in 2019-20, but received in 2018-19.

### **Expenditure Footnotes**

- (1) Projected based on YTD October expense. Includes additional salary for psychologist.
- (2) Projected based on YTD October expense.
- (3) Reflects decrease on Workers Comp premiums and decrease in salary expense.
- (4) Reflects reclassification of expense, based on PDE definition, from supplies.
- (5) Primarily related to tuition for student placements. Actual expense in 2018-19 was in excess of projected.
- (6) Reclassification, based on PDE definition, to Purchased Property Services.
- (7) Related to refinancing of debt.
- (8) A portion of DCED grants budgeted to be received in 2019-20, but received in 2018-19.
- (9) Assumes transfer of excess revenues over expense to Capital Reserve Fund to stay within 8% of unassigned fund balance.

## **Attachment C**

Projected 2019-20 vs Preliminary Budget 2020-21

Comparative Statements



**State College Area School District  
General Fund Revenue  
Projected 2019-20 vs. Preliminary Budget 2020-21**

	<b>Projected 2019-2020</b>	<b>Preliminary Budget 2020-2021</b>	<b>Variance</b>
<b>LOCAL SERVICES TAX</b>			
CURRENT REAL ESTATE TAX	\$99,954,436	\$103,380,229	\$3,425,792 (1)
REAL ESTATE TAX-REFERENDUM DEBT	4,946,210	4,945,740	(470)
EARNED INCOME TAX	18,850,000	19,320,000	470,000 (2)
REALTY TRANSFER TAX	2,200,000	2,200,000	-
DELINQUENT REAL ESTATE TAX	1,100,000	1,100,000	-
INTERIM REAL ESTATE TAX	600,000	600,000	-
IDEA-B	740,000	740,000	-
PAYMENTS IN LIEU OF TAX	664,382	664,382	-
LOCAL SERVICES TAX	406,000	410,000	4,000
TUITION	1,420,000	1,420,000	-
MISC LOCAL REVENUE	611,705	611,705	-
PUBLIC UTILITY REALTY TAX	117,190	117,190	-
INTEREST ON INVESTMENTS	400,000	250,000	(150,000) (3)
<b>TOTAL LOCAL</b>	<b>132,009,923</b>	<b>135,759,245</b>	<b>3,749,322</b>
<b>STATE</b>			
BASIC ED INSTR SUBSIDY	8,407,038	8,407,038	-
SPECIAL ED REVENUE-REGULR	3,323,982	3,323,982	-
REV. FOR RETIREMENT	12,169,441	12,669,751	500,311 (4)
REV. FOR SOCIAL SECURITY	2,719,036	2,791,742	72,706 (5)
PROPERTY TAX REDUCTION	1,423,580	1,423,580	-
TRANSPORTATION REVENUE	800,000	800,000	-
BOND REIMBURSEMENTS	584,918	744,972	160,054 (6)
HEALTH SERVICES REVENUE	140,000	140,000	-
READY TO LEARN GRANT	310,013	310,013	-
SAFETY GRANTS	20,000	0	(20,000)
VOCATIONAL EDUCATION	250,379	100,000	(150,379) (7)
OTHER STATE REVENUE	632,900	0	(632,900) (8)
TUITION - 1305/1306	130,000	130,000	0
<b>TOTAL STATE</b>	<b>30,911,288</b>	<b>30,841,079</b>	<b>(70,209)</b>
<b>FEDERAL</b>			
TITLE I REVENUE	744,552	600,000	(144,552) (9)
TITLE II REVENUE	156,489	156,489	-
ACCESS FUNDS	250,000	250,000	-
OTHER FEDERAL REVENUE	60,000	60,000	-
TITLE III REVENUE	35,000	35,000	-
<b>TOTAL FEDERAL</b>	<b>1,246,041</b>	<b>1,101,489</b>	<b>(144,552)</b>
<b>TOTAL REVENUE</b>	<b>\$164,167,252</b>	<b>\$167,701,813</b>	<b>\$3,534,562</b>

**State College Area School District  
General Fund Expenses and Fund Balance Transfers  
Projected 2019-20 vs. Preliminary Budget 2020-21**

	<b>Projected 2019-2020</b>	<b>Preliminary Budget 2020-2021</b>	<b>Variance</b>
Salaries	\$ 72,392,841	\$ 74,476,245	\$ 2,083,404 (1)
Health Insurance	13,800,964	15,595,089	1,794,125 (2)
PSERS	24,290,626	25,339,502	1,048,876 (3)
Other Benefits	7,029,120	7,204,682	175,562 (4)
Professional Services	3,686,457	3,676,878	(9,579)
Purchased Property Services	1,434,744	1,459,135	24,391
Charter School Expense	6,921,425	7,040,000	118,575 (5)
Other Purchased Services	6,598,350	6,675,361	77,011 (6)
Supplies/Equipment	7,980,293	7,672,204	(308,089) (7)
Minor Capital Projects	2,225,174	2,269,677	44,503
Transfers/contingencies	1,667,512	1,321,017	(346,495) (8)
Debt Service	7,453,050	7,469,638	16,588
Debt Service - Referendum Debt	5,258,625	5,258,125	(500)
Transfer to Cap Projects-DCED Grant	632,900	-	(632,900) (9)
Transfer to Capital Reserve	3,639,500	2,248,000	(1,391,500) (10)
Fund Balance Use (PSERS/Legal)	(659,620)	(396,159)	263,461 (11)
<b>Total Expenses and Fund Balance Transfers</b>	<b>\$164,351,961</b>	<b>\$167,309,394</b>	<b>\$2,957,433</b>
<b>Total Expense and Transfers (excl fund balance use)</b>	<b>\$165,011,581</b>	<b>\$167,705,553</b>	<b>\$2,693,972</b>
<b>Total Debt Service (General + Capital Reserve Fund)</b>			
Debt Service Paid from Capital Reserve (a)	\$4,079,915	\$4,848,525	\$768,610
Total Debt Service (including referendum debt)	\$16,791,590	\$17,576,288	\$784,698
Interest included in Debt Service	\$9,111,590	\$9,266,288	\$154,697
<i>(a) Debt service for Series 2018 and Series 2019 Bonds for all years is included in the Capital Reserve Fund.</i>			

## **Projected 2019-20 vs. Preliminary Budget 2020-21 Variance Explanations**

### **Revenue Footnotes**

- (1) Budget assumes assessed value growth of 1.2% and a 2.0% real estate tax rate increase (Act I index = 2.6%).
- (2) Budget reflects projected growth of 2.5%. 5-year average is 3.2%.
- (3) Budget reflects conservative estimate due to reduction in interest rates.
- (4) Budget reflects the impact of increased salary expense and an assumed increase in the PSERS rate.
- (5) Budget reflects the impact of increased salary expense.
- (6) Projected 2019-20 includes debt currently receiving Plancon reimbursement, plus referendum debt. Preliminary Budget also includes estimated reimbursement related to 2017 high school bonds. Plancon revenue excludes reimbursement due to the district for debt service payments related to the high school and elementary project debt paid during construction, as the timing of receipt is not known.
- (7) Budget conservatively estimated.
- (8) Projected 2019-20 reflects estimated remaining DCED grant revenue for the elementary projects.
- (9) Initial Title I grant revenue is conservatively estimated.

### **Expenditure Footnotes**

- (1) Salary increase is based on estimated impact of contractual agreements assuming 2019-20 staffing level, and increase of .5 social worker and .4 counselor.
- (2) Estimated contractual increase in health insurance.
- (3) Reflects impact of increased salary expense and assumed increase in PSERS rate from 34.29% to 34.77% (final 2020-21 rate anticipated in December).
- (4) Increase in other benefits is primarily related to increase in salaries.
- (5) Estimated net increase in charter school expense.
- (6) Estimated increase in fees charged for contracted services.
- (7) Reflects elimination of one-time 2019-20 budgeted expenses (add'l fitness equipment, restorative practice, vans/buses, Read 180, and band uniforms, plus estimated reduction in utility cost related to construction completion.
- (8) Primarily related to elimination of construction related contingency (\$500k), offset by increase in projected food services transfer from \$120k to \$240k.
- (9) Projected 2019-20 reflects transfer of estimated remaining balance of DCED grants to the capital project fund for elementary projects.
- (10) Reflects net decrease in funds available to transfer to the Capital Reserve Fund while maintaining a 7.9% unassigned Fund Balance in each period.
- (11) Budgeted reflects planned usage of PSERS fund balance. This will be revisited during the budget process.