



STATE COLLEGE AREA SCHOOL DISTRICT
 Office of Finance and Operations
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To: Board of Directors
 From: Robert O'Donnell, Randy Brown and Donna Watson
 Subject: 2021-2022 Budget Development
 Date: April 15, 2021

Executive Summary

This budget development update provides the proposed final budget which will be presented for approval at the May 3 Board of Directors meeting. As presented in the preliminary budget, the administration recommends no change in the real estate tax rate for the fiscal 2021-2022 budget. The rationale for this recommendation is included in this update.

This information was provided at recent meetings of the finance and audit committee and the CAC for finance. As requested by board members, scenarios have been included that show the impact of different tax rates on fund balance projections through the multi-year period.

Proposed Final Budget

The proposed final budget for revenue is \$167,859,087, consisting of the following:

Local	\$131,955,939
State	\$31,349,491
Federal	\$4,553,657

Expenses (excluding use of fund balance) \$167,362,817. The resulting projected ending unassigned fund balance after fund balance use is \$13,254,859, or 7.92% of expenses, remaining under the 8% maximum allowed by the state. Local revenue sources make up 78% of the revenue budget while state and federal sources account for 19% and 3%, respectively.

The budget proposal includes continuation of the supplemental tax rebate program in the amount of \$100,000. Applications for the 2020-2021 program will be accepted through June 30, 2021. So far this year, rebates totalling \$74,751 have been provided. The application of the 2021-2022 program will be included with the 2021-2022 real estate tax bills.

The proposed budget includes expenses by functional category as a percentage:

- Instruction 59%
- Support services 30%
- Other expenses and financing uses 9%
- Operation of non-instructional services 2%

Expenses by object type as a percentage of the budget are:

- Salaries 45%
- Benefits 30%
- Services 10%
- Supplies and Equipment 5%
- Capital related transfers 9%
- Other transfers and fees 1%

The percentage share of expenses by category and type remain similar to prior years. Staffing levels in the proposed budget are identical to the 2019-2020 fiscal year, with the following exceptions:

Recurring:

- .5 FTE Social worker (grant funded in 2020-2021)
- .5 FTE Psychologist
- 1.0 FTE Custodian for Memorial Field/Fairmount
- Virtual Academy program - personnel and other costs

Non-recurring:

- Lost learning - estimated portion of ESSER III grant to be utilized in 2021-2022

Virtual Academy expenses have been proposed assuming enrollments at the elementary and secondary levels of 100 and 175, respectively. The current year enrollments are 200 and 280 for elementary and secondary levels, respectively. Expenses for this program include third party software platforms and teaching faculty, at both full-time and per pupil rates.

Costs for the Virtual Academy:

	Elementary	Secondary
2020-2021 Projected	\$929,221	\$1,378,542
2021-2022 Budget	\$503,651	\$662,066

Actual staffing in the upcoming year will be adjusted to best fit the enrollments at both levels.

All other expenses are similar in amount, with inflation factored in where appropriate, when compared to the 2019-2020 budget. Due to the remaining uncertainty of the pandemic and programming structure for the coming school year, the expenditure budget has not been modified

significantly. As the programming needs and associated costs become more clear, the administration will have the opportunity to identify potential cost savings.

Tax Rate Alternatives

As previously mentioned, the proposed final budget maintains the current real estate tax rate of 46.0875 mills, which has been effective since 2019-2020. This rate has been included in all budget presentations, starting with the preliminary budget. The multi-year projections include a 1% increase for 2022-2023 and 2% for all other years. The 2% increase in tax rate has been the 5-year average historical rate used for projection purposes.

Alternative tax rate scenarios are presented in addition to those provided during the budget development process. One point of emphasis likely due to the ramifications of the pandemic, approximately 44% of school districts in Pennsylvania did not raise taxes in the current year which is about double the previous year's number. These scenarios are intended to show the potential impact on the average taxpayer, as well as the resulting unassigned fund balance from the increased tax revenue throughout the projection period.

Chart A

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
	Assumed Real Estate Tax Increase (a)			Additional Tax Revenue Generated Through 2025-26	Unassigned Fund Balance as of June 30,2026		Additional Tax Revenue Generated Through 2030-31	Unassigned Fund Balance as of June 30,2031		
	2021-22	2022-23	2023-24		Balance	Percentage of Expense		Balance	Percentage of Expense	
1	(b)	0.0%	1.0%	2.0%	\$0	\$4,444,959	2.31%	\$0	(55,081,020)	-24.81%
2		0.5%	1.0%	2.0%	2,840,613	7,285,572	3.79%	6,158,538	(48,922,482)	-22.04%
3		0.0%	2.0%	2.0%	4,563,594	9,008,553	4.69%	11,140,979	(43,940,041)	-19.80%
4		0.5%	1.5%	2.0%	5,136,034	9,580,993	4.98%	11,764,127	(43,316,893)	-19.51%
5		1.0%	1.0%	2.0%	5,681,519	10,126,479	5.27%	12,322,289	(42,758,731)	-19.26%
6		0.5%	2.0%	2.0%	7,431,456	11,876,415	6.18%	17,369,716	(37,711,304)	-16.99%
7		0.5%	2.5%	2.0%	9,726,877	14,171,836	7.37%	22,977,901	(32,103,119)	-14.46%
8		1.0%	2.0%	2.0%	10,299,318	14,744,277	7.67%	23,601,049	(31,479,971)	-14.18%
9		2.0%	2.0%	2.0%	16,023,164	20,468,123	10.65%	36,036,746	(19,044,274)	-8.58%
10	(c)	0.0%	3.5%	2.0%	11,422,218	15,867,177	8.25%	27,881,994	(27,199,026)	-12.25%
11	(c)	0.0%	3.5%	3.7%	17,419,742	21,864,702	11.37%	45,233,210	(9,847,810)	-4.44%

- (a) The projected rate for years after 2023-24 is 2% for all scenarios.
- (b) Real estate tax percentage increases in the current version of the multyear projection.
- (c) The projected Act 1 Index for 2022-23 and 2023-24 is 3.5% and 3.7%, respectively.

The tax rate alternatives in Chart A provide the following results:

- The more the tax rate is increased, or the earlier the rate is increased, the more revenue is generated over time.
 - Lines 3, 4, and 5 show the tax rate increased by 2% over two years in different amounts, resulting in varying revenue increases based upon the compounding nature of the tax rate.

- Lines 7 and 8 show the tax rate increased by 3% over two years in different amounts, resulting in similar revenue increases.
- Lines 10 and 11 present alternatives of tax rate increases at the projected Act 1 Index level in one or two years. This would serve as a maximum level of revenue growth.

These various alternatives require board approval each year. It should be noted that the tax rate could be set at a lower rate in a future year. For example, in 2007-2008 the board lowered the tax rate.

The administration continues to base its recommendation of no change in the real estate tax rate on the following:

- Improved local earned income tax revenue projections
- American Rescue Plan Act of 2021 funding (ESSER III)
- Ability to reduce expenses if revenue results do not exceed projections

Members of the CAC for finance discussed increasing the tax rate versus maintaining the current rate. In the end, the committee was divided. Comments addressed:

- Deficit spending projected in future years that will result in negative fund balance beginning in 2026-2027,
- The district's credit rating
- Shuttered businesses
- Concerns about those district residents who have lost their jobs and are experiencing decreased income
- Employees of the district's largest employers not receiving wage and salary increases
- Increase in other household costs (i.e. utilities, groceries)
- The number of businesses with reduced sales and rental revenue.
- Business loans and grants availability
- The increased number of tax appeal requests

Keep in mind that uncertainty in budgeting increases each year beyond the base year. This modeling is used as a guide; however, we should be mindful that new revenues for school districts are heavily limited by the inability to increase taxes beyond the Act 1 Index. As demonstrated last year, local economic pressures can influence certain revenue streams positively or negatively.

In response to questions regarding a tax increase, Chart B provides the average tax increase at different rates for residential, commercial and industrial and agricultural property owners.

Chart B

Property Type	2020-21 Tax	Count of Parcels	Average Tax	Impact of Tax Increase		
				0.5%	1%	2%
Residential	\$66,047,542	19,931	\$3,314	\$17	\$33	\$66
Commercial and Industrial	\$38,824,478	1,577	\$24,619	\$123	\$246	\$492
Agricultural	\$2,653,459	554	\$4,790	\$24	\$48	\$96

Although the multi-projections indicate financial uncertainty, we believe there is time to address these issues by reducing expenses or increasing the tax rate. Therefore, the administration recommends no real estate tax rate increase for 2021-2022.

Future Capital Needs

Although further work is necessary to prepare for capital project planning, at this point the timing of a possible middle school project does not appear to be impacted in a significant manner by holding the tax rate for the budget year. As shown on page 14 of Attachment C, transfers to the capital reserve fund have been eliminated with the exception of PlanCon debt service reimbursements in 2021-2022, as well as in the current year. This fund has sufficient resources to pay the debt service for Memorial Field and other projects as previously committed in the multi-year projections.

The projections include debt service payments to begin in 2027-2028 for the middle school project. This is an estimated timeframe as the required master and project planning work has yet to begin. In addition, timing for the projections for other projects using resources from the capital reserve fund will require consideration.

Next Steps

The proposed final budget will be presented for approval at the May 3 board meeting. The budget hearing will be held on May 24. The final budget will be presented for approval on June 7.

Attachment A

Proposed Final Budget

2021-22

**State College Area School District
General Fund Revenue
Proposed Final Budget 2021-22**

LOCAL SERVICES TAX

CURRENT REAL ESTATE TAX	\$100,764,382
REAL ESTATE TAX-REFERENDUM DEBT	4,945,269
EARNED INCOME TAX	18,040,795
REALTY TRANSFER TAX	2,500,000
DELINQUENT REAL ESTATE TAX	1,300,000
INTERIM REAL ESTATE TAX	600,000
IDEA-B	740,000
PAYMENTS IN LIEU OF TAX	674,646
LOCAL SERVICES TAX	372,000
TUITION	1,405,011
MISC LOCAL REVENUE	396,646
PUBLIC UTILITY REALTY TAX	117,190
INTEREST ON INVESTMENTS	100,000

TOTAL LOCAL **131,955,939**

STATE

BASIC ED INSTR SUBSIDY	8,406,928
SPECIAL ED REVENUE-REGULR	3,358,750
REV. FOR RETIREMENT	12,831,101
REV. FOR SOCIAL SECURITY	2,812,255
PROPERTY TAX REDUCTION	1,426,711
TRANSPORTATION REVENUE	800,000
BOND REIMBURSEMENTS	937,733
HEALTH SERVICES REVENUE	140,000
READY TO LEARN GRANT	310,013
SAFETY GRANTS	0
VOCATIONAL EDUCATION	196,000
OTHER STATE REVENUE	0
TUITION - 1305/1306	130,000

TOTAL STATE **31,349,491**

FEDERAL

TITLE I REVENUE	600,000
TITLE II REVENUE	140,000
ACCESS FUNDS	250,000
OTHER FEDERAL REVENUE	3,528,657
TITLE III REVENUE	35,000

TOTAL FEDERAL **4,553,657**

TOTAL REVENUE **\$167,859,087**

**State College Area School District
General Fund Expenses and Fund Balance Transfers
Proposed Final Budget 2021-22**

Salaries	\$ 75,023,470
Health Insurance	17,335,113
PSERS	25,662,202
Other Benefits	7,257,138
Professional Services	3,809,374
Purchased Property Services	1,422,447
Charter School Expense	5,825,760
Other Purchased Services	7,082,266
Supplies/Equipment	7,903,308
Minor Capital Projects	1,412,535
Transfers/contingencies	1,757,728
Debt Service	7,415,475
Debt Service - Referendum Debt	5,257,625
Total Expense before transfer to capital reserve and fund balance use	<u>167,164,441</u>
Transfer to Capital Reserve	198,376
Fund Balance Use (COVID-19)	(142,426)
Fund Balance Use (PSERS/Legal)	(396,159)
Total Transfer to Capital Reserve and fund balance use	<u>(340,209)</u>
Total Expenses and Transfers	<u><u>\$ 166,824,232</u></u>

**State College Area School District
General Fund Activity
Proposed Final Budget 2021-22**

Beginning Fund Balance	\$12,220,003
Revenue	167,859,087
Local	131,955,939
State	31,349,491
Federal	4,553,657
Expense (including capital reserve transfer)	<u>167,362,817</u>
Revenue less expense	496,271
Funding (Use) of Assigned Fund Bal (COVID-19)	(142,426)
Funding (Use) of Assigned Fund Bal (PSERS)	<u>(396,159)</u>
Change in Assigned Fund Balance	(538,585)
Change in Unassigned General Fund Balance	1,034,856
Ending Unassigned Fund Balance	<u><u>\$13,254,859</u></u>
Unassigned Fund Balance Percentage	7.9%

Attachment B

Comparative Statements

2021-22

	A	B	C	D	E	H	K	N
1	State College Area School District							
2	General Fund Revenue							
3	Budget 2021-22							
4								
5								
6								
7								
8		Board Presentation 11/18/19	Board Presentation 3/2/20 (1)	Projected June 2020 (2)	Preliminary Budget 12/7/2020 (3)	Board Presentation 2/15/21 (4)	Board Presentation 3/15/21 (5)	Board Presentation 4/5/21 (6)
9	LOCAL SERVICES TAX							
10	CURRENT REAL ESTATE TAX	\$106,917,277	\$106,917,277	\$101,712,018	\$100,644,466	\$100,764,382	\$100,764,382	\$100,764,382
11	REAL ESTATE TAX-REFERENDUM DEBT	4,945,269	4,945,269	4,945,269	4,945,269	4,945,269	4,945,269	4,945,269
12	EARNED INCOME TAX	19,800,000	19,800,000	16,200,000	16,922,059	16,922,059	16,922,059	18,040,795
13	REALTY TRANSFER TAX	2,200,000	2,200,000	1,650,000	2,400,000	2,500,000	2,500,000	2,500,000
14	DELINQUENT REAL ESTATE TAX	1,100,000	1,100,000	1,200,000	1,200,000	1,300,000	1,300,000	1,300,000
15	INTERIM REAL ESTATE TAX	600,000	700,000	600,000	600,000	600,000	600,000	600,000
16	IDEA-B	740,000	740,000	740,000	740,000	740,000	740,000	740,000
17	PAYMENTS IN LIEU OF TAX	664,382	674,646	674,646	674,646	674,646	674,646	674,646
18	LOCAL SERVICES TAX	414,000	396,000	396,000	353,000	353,000	353,000	372,000
19	TUITION	1,420,000	1,581,910	1,511,093	1,581,910	1,405,011	1,405,011	1,405,011
20	MISC LOCAL REVENUE	631,705	538,409	538,409	518,409	396,646	396,646	396,646
21	PUBLIC UTILITY REALTY TAX	117,190	117,190	117,190	117,190	117,190	117,190	117,190
22	INTEREST ON INVESTMENTS	250,000	250,000	250,000	100,000	100,000	100,000	100,000
23								
24	TOTAL LOCAL	139,799,823	139,960,701	130,534,624	130,796,949	130,818,203	130,818,203	131,955,939
25								
26	STATE							
27	BASIC ED INSTR SUBSIDY	8,407,038	8,407,038	8,407,038	8,406,928	8,406,928	8,406,928	8,406,928
28	SPECIAL ED REVENUE-REGULR	3,323,982	3,323,982	3,323,982	3,358,750	3,358,750	3,358,750	3,358,750
29	REV. FOR RETIREMENT	13,100,000	13,250,000	12,450,000	12,846,216	12,846,216	12,758,206	12,831,101
30	REV. FOR SOCIAL SECURITY	2,853,160	2,901,570	2,725,725	2,815,568	2,815,568	2,796,278	2,812,255
31	PROPERTY TAX REDUCTION	1,423,580	1,423,580	1,423,580	1,426,711	1,426,711	1,426,711	1,426,711
32	TRANSPORTATION REVENUE	800,000	800,000	800,000	800,000	800,000	800,000	800,000
33	BOND REIMBURSEMENTS	743,278	749,552	749,552	937,733	937,733	937,733	937,733
34	HEALTH SERVICES REVENUE	140,000	140,000	140,000	140,000	140,000	140,000	140,000
35	READY TO LEARN GRANT	310,013	310,013	310,013	310,013	310,013	310,013	310,013
36	SAFETY GRANTS	0	0	0	0	0	0	0
37	VOCATIONAL EDUCATION	100,000	100,000	100,000	196,000	196,000	196,000	196,000
38	OTHER STATE REVENUE	0	0	0	0	0	0	0
39	TUITION - 1305/1306	130,000	130,000	130,000	130,000	130,000	130,000	130,000
40	TOTAL STATE	31,331,052	31,535,735	30,559,891	31,367,919	31,367,919	31,260,620	31,349,491
41								
42	FEDERAL							
43	TITLE I REVENUE	600,000	600,000	600,000	600,000	600,000	600,000	600,000
44	TITLE II REVENUE	156,489	159,772	159,772	159,772	140,000	140,000	140,000
45	ACCESS FUNDS	250,000	250,000	250,000	250,000	250,000	250,000	250,000
46	OTHER FEDERAL REVENUE	60,000	60,000	60,000	110,000	912,030	912,030	3,528,657
47	TITLE III REVENUE	35,000	35,000	35,000	35,000	35,000	35,000	35,000
48								
49	TOTAL FEDERAL	1,101,489	1,104,772	1,104,772	1,154,772	1,937,030	1,937,030	4,553,657
50								
51	TOTAL REVENUE	\$172,232,364	\$172,601,207	\$162,199,287	\$163,319,640	\$164,123,152	\$164,015,853	\$167,859,087
52								

- (1) The projection presented on 3/2/2020 was prior to the COVID pandemic and included an assumed 2% real estate tax increase, 1.2% assessed value growth.
- (2) Reflects the impact of the 0% tax increase in 2020-21 and 1% tax increase in 2021-22 and other assumed changes in revenue due to the COVID pandemic.
- (3) Reflects the impact of assumed 0% tax increase (previously 1%) in 2021-22, higher than projected 2019-20 revenue, improved realty transfer tax and a drop in interest rates. State revenue reflects changes in estimates, the impacts of an increase in salary expense and plancon revenue related to debt paid from the capital reserve fund.
- (4) Reflects increases in projected real estate, transfer and delinquent tax. Decreased tuition reflects projected reduced programming operations and misc local revenue reflects expected volume/use for athletics, building rental and driver ed. Federal revenue reflects estimated ESSER II funds available for 2021-22.
- (5) Reflects change in PSERS and Social Security reimbursement related to salary change.
- (6) Reflects change in EIT assumption from 0% to 1% (and 2020-21 projection from -10% to -5%), PSERS and Social Security revenue reflects the impact of changes in salary expense, and Other Federal revenue reflects projected ESSER III funds utilized in FY 2021-22.

	A	B	C	D	E	H	K	N
1	State College Area School District							
2	General Fund Expenses and Fund Balance Transfers							
3	Budget 2021-22							
4								
5								
6		Board Presentation 11/18/19	Board Presentation 3/2/20 (1)	Projected June 2020 (2)	Preliminary Budget 12/7/2020 (3)	Board Presentation 2/15/21 (4)	Board Presentation 3/15/21 (5)	Board Presentation 4/5/21 (6)
7	Salaries	\$76,114,722	\$77,406,150	\$72,715,098	\$75,111,845	\$75,111,845	\$74,597,252	\$75,023,470
8	Health Insurance	16,904,598	16,820,873	17,210,502	17,645,279	17,645,279	17,335,113	17,335,113
9	PSERS	26,200,000	26,500,000	24,900,000	25,692,431	25,692,431	25,516,412	25,662,202
10	Other Benefits	7,400,000	7,600,000	7,109,677	7,255,670	7,255,670	7,223,169	7,257,138
11	Professional Services	3,740,000	4,040,000	3,680,000	3,698,502	3,698,502	3,809,374	3,809,374
12	Purchased Property Services	1,480,000	1,420,000	1,400,000	1,369,153	1,369,153	1,422,447	1,422,447
13	Charter School Expense	7,160,000	6,600,000	6,600,000	5,825,760	5,825,760	5,825,760	5,825,760
14	Other Purchased Services	6,790,000	6,900,000	7,130,000	7,231,615	7,231,615	7,082,266	7,082,266
15	Supplies/Equipment	7,750,000	7,460,000	7,250,000	8,009,185	8,009,185	7,903,308	7,903,308
16	Minor Capital Projects	2,315,071	2,315,071	1,412,535	1,412,535	1,412,535	1,412,535	1,412,535
17	Transfers/contingencies	1,402,637	1,674,062	1,672,256	1,766,700	1,766,700	1,757,728	1,757,728
18	Debt Service	7,440,038	7,440,038	7,440,038	7,415,475	7,415,475	7,415,475	7,415,475
19	Debt Service - Referendum Debt	5,257,625	5,257,625	5,257,625	5,257,625	5,257,625	5,257,625	5,257,625
21	Total Expense before transfer to capital reserve and fund balance use	169,954,691	171,433,818	163,777,732	167,691,775	167,691,775	166,558,464	167,164,441
22								
23	Transfer to Capital Reserve	2,315,000	2,315,000	-	198,376	198,376	198,376	198,376
24	Fund Balance Assignment/Use (COVID-19)			(1,633,000)	(4,986,000)	(4,182,488)	(3,334,176)	(142,426)
25	Fund Balance Use (PSERS/Legal)	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)
26	Total Transfer to Capital Reserve and fund balance use	1,918,841	1,918,841	(2,029,159)	(5,183,783)	(4,380,271)	(3,531,959)	(340,209)
27								
28	Total Expenses and Transfers	\$ 171,873,532	\$ 173,352,659	\$ 161,748,573	\$ 162,507,992	\$ 163,311,504	\$ 163,026,505	\$ 166,824,232
29								
30								
31	Total Debt Service (General + Capital Reserve Fund)							
32	Debt Service Paid from Capital Reserve (a)	\$4,855,775	\$4,855,775	\$4,855,775	\$4,855,775	\$4,855,775	\$4,855,775	\$4,855,775
33	Total Debt Service (including referendum debt)	\$17,553,438	\$17,553,438	\$17,553,438	\$17,528,875	\$17,528,875	\$17,528,875	\$17,528,875
34								
35	Interest included in Debt Service	\$8,858,438	\$8,858,438	\$8,858,438	\$8,848,875	\$8,848,875	\$8,848,875	\$8,848,875
36	<i>(a) Debt service for Series 2018 and Series 2019 Bonds for all years is included in the Capital Reserve Fund.</i>							
37								
39	(1) The projection presented on 3/2/2020 was prior to the COVID pandemic and included approximately \$1.1 million in proposed additions in 2020-21.							
40								
41	(2) Reflects the impact of the elimination of proposed staffing additions and salary increases in 2020-21, as well as other expense reductions in response to the anticipated impacts of the COVID pandemic.							
42								
43	(3) Reflects pre-COVID staffing levels w/ 1 admin and secretary position remaining vacant and continued .5 social worker funded via a grant in 2020-21. Includes estimated contractual and assumed increases in salaries, health, PSERS and other benefits. Assumes continuation of new Virtual Academy in elementary and secondary, full CEEL and summer programs, and charter school students based on updated enrollment. Assumes bus and other routine equipment replacement and anticipated IT network costs. Capital reserve transfer assumes receipt of Plancon reimbursement for debt funded from capital reserve. Debt service reflects savings from refinancing. Excludes COVID-related expenses.							
44								
45	(4) Decrease in use of COVID assigned fund balance is due to projected increases in revenue.							
46								
47	(5) Reflects assumed net reduction in salaries and related benefits related to expected complement (with no change in FTEs), reduction of PDS positions, decrease in community ed staffing and other expense related to anticipated demand, addition of .5 psychologist and 1.0 custodian for Memorial Field and Fairmount. Health insurance updated based upon Conrad Seigel estimates. Increase in IU intervention expense, offset by decr in training, purchased psych services, printing and travel.							
48								
49								
50	(6) Reflects additional expenses related to loss learning which will be funded by ESSER III funds. Fund balance assignment reflects impact of ESSER III funds and increase in EIT assumptions.							

	A	B	C	D	E	G	I	K	M
1	State College Area School District								
2	General Fund Activity								
3	Budget 2021-22								
4									
13									
14		Board	Board	Projected June	Preliminary	Board	Board	Board	
15		Presentation	Presentation	2020 (2)	Budget	Presentation	Presentation	Presentation	
16		11/18/19	3/2/20 (1)	2020 (2)	12/7/2020 (3)	2/15/21 (4)	3/15/21 (5)	4/5/21 (6)	
16	Beginning Fund Balance	\$13,461,569	\$13,354,872	\$12,518,215	\$12,485,127	\$12,485,127	\$12,218,720	\$12,220,003	a
17									
18	Revenue	172,232,364	172,601,208	162,199,287	163,319,640	164,123,152	164,015,853	167,859,087	
19									
20	Local	139,799,823	139,960,701	130,534,624	130,796,949	130,818,203	130,818,203	131,955,939	
21	State	31,331,052	31,535,735	30,559,891	31,367,919	31,367,919	31,260,620	31,349,491	
22	Federal	1,101,489	1,104,772	1,104,772	1,154,772	1,937,030	1,937,030	4,553,657	
23									
24	Expense (including capital reserve transfer)	172,269,691	173,748,818	163,777,732	167,890,151	167,890,151	166,756,840	167,362,817	
25	Revenue less expense	(37,327)	(1,147,611)	(1,578,446)	(4,570,511)	(3,766,999)	(2,740,987)	496,271	b
26									
27	Funding (Use) of Assigned Fund Bal (COVID-19)	0	0	(1,633,000)	(4,986,000)	(4,182,488)	(3,334,176)	-142,426	c
28	Funding (Use) of Assigned Fund Bal (PSERS)	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	d
29	Change in Assigned Fund Balance	(396,159)	(396,159)	(2,029,159)	(5,382,159)	(4,578,647)	(3,730,335)	(538,585)	e (c+d)
30									
31	Change in Unassigned General Fund Balance	358,832	(751,452)	450,713	811,648	811,648	989,348	1,034,856	f (b-e)
32									
33	Ending Unassigned Fund Balance	<u>\$13,820,401</u>	<u>\$12,603,420</u>	<u>\$12,968,928</u>	<u>\$13,296,775</u>	<u>\$13,296,775</u>	<u>\$13,208,068</u>	<u>\$13,254,859</u>	(a+f)
34									
35	Unassigned Fund Balance Percentage	8.0%	7.3%	7.9%	7.9%	7.9%	7.9%	7.9%	
36									
37									
38	(1) The projection presented on 3/2/2020 was prior to the COVID pandemic and included a tax increase and approximately \$1.1 million in proposed additions in 2020-21.								
39									
40	(2) Reflects decreased revenue and expense estimates as a result of the COVID pandemic, and the use of COVID fund balance in 2021-22.								
41									
42	(3) Reflects the impact of a 0% tax increase and other projected revenue changes and the impact of expenses at primarily pre-COVID levels, thus increasing the projected use of COVID fund balance.								
43									
44	(4) Reflects net increase in revenue estimate, thus decreasing the use of COVID fund balance.								
45									
46	(5) Update of expenses thus decreasing the use of COVID fund balance.								
47									
48	(6) Revenue increases including ESSER III estimate and increased earned income tax revenue related to change in assumption for 2020-21 and 2021-22. Revenue is offset by addition of lost learning expenses to be funded with ESSER III.								
49									

Attachment C

Multi-Year Projection

	B	T	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI
1	State College Area School District														
2	General Fund Revenue														
3	3/31/2021														
4															
5															
6	Assumptions:														
7	Earned Income Tax Growth (1)	2.90%	2.25%	-10.00%	-5.00%	1.00%	1.00%	2.5%	2.5%	2.5%	2.50%	2.50%	2.50%	2.50%	2.50%
8	Assessed Value Growth (2)	1.43%	1.95%	1.00%	1.11%	0.80%	0.60%	1.0%	1.2%	1.2%	1.20%	1.20%	1.20%	1.20%	1.20%
9	Exceptions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Act 1 Index	2.40%	2.30%	2.60%	2.60%	3.40%	3.00%	3.0%	3.0%	3.0%	3.00%	3.00%	3.00%	3.00%	3.00%
12	Actual/Projected Total Tax Increase	2.40%	1.95%	0.00%	0.00%	0.00%	1.00%	2.0%	2.0%	2.0%	2.00%	2.00%	2.00%	2.00%	2.00%
13		Actual 2018-2019	Actual 2019-2020	Budget 2020-2021	Projected 2020-2021	Budget 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	Projected 2030-2031
14	LOCAL SERVICES TAX														
16	CURRENT REAL ESTATE TAX	\$96,102,333	\$100,120,228	\$98,702,922	\$101,123,553	\$100,764,382	\$103,736,884	107,062,141	110,716,018	114,493,674	\$118,388,569	\$122,411,299	\$126,560,463	\$130,842,203	\$135,264,051
17	REAL ESTATE TAX-REFERENDUM DEB	4,941,977	4,946,210	4,945,740	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	4,945,081
18	EARNED INCOME TAX	18,388,631	18,802,288	16,200,000	17,862,174	18,040,795	18,220,000	18,680,000	19,150,000	19,630,000	20,120,000	20,620,000	21,140,000	21,670,000	22,210,000
19	REALTY TRANSFER TAX	3,070,277	3,046,841	1,350,000	2,625,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
20	DELINQUENT REAL ESTATE TAX	1,190,289	1,225,055	850,000	1,074,000	1,300,000	1,300,000	1,300,000	1,200,000	1,200,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
21	INTERIM REAL ESTATE TAX	1,277,422	1,338,213	400,000	1,289,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
22	IDEA-B	739,659	781,373	740,000	820,064	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	674,646	674,646	613,671	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	376,816	392,000	372,400	372,000	372,000	381,000	391,000	401,000	411,000	421,000	432,000	443,000	454,000
25	TUITION	1,414,650	1,198,923	1,511,093	295,807	1,405,011	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
26	MISC LOCAL REVENUE	634,427	1,770,439	518,409	136,000	396,646	460,852	460,852	460,852	460,852	460,852	460,852	460,852	460,852	460,852
27	PUBLIC UTILITY REALTY TAX	118,725	110,406	117,190	122,788	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	1,090,774	250,000	130,000	100,000	200,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
29															
30	TOTAL LOCAL	130,199,417	135,482,211	126,651,999	131,410,197	131,955,939	135,366,135	139,209,217	143,245,915	147,510,514	151,805,879	156,337,434	161,019,244	165,843,442	170,815,819
31															
32	STATE														
33	BASIC ED INSTR SUBSIDY	7,920,859	8,406,928	8,407,038	8,406,928	8,406,928	8,406,928	8,406,928	8,406,928	8,406,928	8,406,928	8,406,928	8,406,928	8,406,928	8,406,928
34	SPECIAL ED REVENUE	3,292,352	3,358,750	3,323,982	3,358,750	3,358,750	3,358,750	3,358,750	3,358,750	3,358,750	3,358,750	3,358,750	3,358,750	3,358,750	3,358,750
35	REV. FOR RETIREMENT	11,363,341	11,921,782	11,948,339	11,603,660	12,831,101	13,417,681	13,850,000	14,400,000	14,900,000	15,450,000	15,900,000	16,250,000	16,550,000	16,900,000
36	REV. FOR SOCIAL SECURITY	2,536,120	2,375,222	2,652,226	2,769,025	2,812,255	2,882,505	2,937,840	3,005,410	3,065,518	3,126,828	3,189,365	3,253,152	3,318,215	3,384,580
37	PROPERTY TAX REDUCTION	1,423,448	1,423,580	1,426,711	1,426,711	1,426,711	1,426,711	1,426,711	1,426,711	1,426,711	1,426,711	1,426,711	1,426,711	1,426,711	1,426,711
38	TRANSPORTATION REVENUE	926,079	803,219	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	277,820	751,246	718,694	937,733	938,804	938,994	939,196	939,055	875,728	875,509	718,819	719,287	666,215
40	HEALTH SERVICES REVENUE	140,026	140,519	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	310,013
42	SAFETY GRANTS	65,000	24,691	35,000	80,309	0	0	-	-	-	0	0	0	0	0
43	VOCATIONAL EDUCATION	227,172	197,228	100,000	196,942	196,000	196,000	196,000	196,000	196,000	196,000	196,000	196,000	196,000	196,000
44	OTHER STATE REVENUE (4)	6,818,508	634,792	0	35,000	0	0	-	-	-	0	0	0	0	0
45	TUITION - 1305/1306	108,757	107,373	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	29,981,916	30,024,555	29,976,032	31,349,491	32,007,392	32,495,236	33,113,009	33,672,975	34,220,958	34,733,276	34,990,374	35,355,905	35,719,197
48															
49	FEDERAL														
50	TITLE I REVENUE	783,712	786,137	700,000	700,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
51	TITLE II REVENUE	167,980	169,276	159,772	159,772	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
52	ACCESS FUNDS	343,115	685,060	250,000	100,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
53	OTHER FEDERAL REVENUE (5)	119,545	765,724	621,365	2,589,813	3,528,657	2,720,368	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
54	TITLE III REVENUE	56,699	47,960	35,000	35,000	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	2,454,158	1,766,137	3,584,585	4,553,657	3,745,368	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000
57															
58	TOTAL REVENUE	167,123,000	167,918,285	158,442,691	164,970,814	167,859,087	171,118,896	172,839,453	177,493,924	182,318,490	187,161,838	192,205,709	197,144,617	202,334,346	207,670,016

(1) Projected decrease in 2020-21, 2021-22 and 2022-23 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 2021-22 and 2022-23 reflect the estimated impact of COVID-19. Years 2023-24 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. Reimbursement related to referendum debt is approximately \$312,000 annually. Plancon reimbursement related to debt paid from the capital reserve fund is included in transfer to capital reserve.

(4) Other State Revenue for 2018-19 and 2019-20 include DCED grant revenue related to the State High Project and three elementary buildings. This grant revenue is included in both revenue and expense.

(5) Other Federal Revenue includes Perkins, Title IV and 2019-20 includes Elementary and Secondary Emergency Relief Funds (ESSER I) of \$597,581 and \$58,000 of PCCD COVID safety grant (\$333,778), the second PCCD allotment (\$205,260), ESSER II (\$1,787,168), Special Education COVID-19 Mitigation Grant (SECMG)(\$14,348), county COVID grant of \$72,965 and ESSER III (\$20,000). Projected 2021-22 includes the balance of the ESSER II funds (\$787,682) SECMG funds and ESSER III (\$2,616,627). Projected 2022-23 includes ESSER III of \$2,610,368.

	B	C	AA	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP
81	State College Area School District															
82	General Fund Expenses and Fund Balance Transfers															
83	3/31/2021															
84																
85																
86			Actual 2018-	Actual 2019-	Budget 2020-	Projected 2020-	Budget 2021-	Projected 2022-	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
87			2019	2020	2021	2021	2022	2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
88	Salaries	69,490,777	71,274,299	70,754,328	68,721,487	75,023,470	76,897,563	78,373,738	80,176,334	81,779,861	83,415,458	85,083,767	86,785,442	88,521,151	90,291,574	
89	Health Insurance	12,563,861	13,478,031	15,230,533	14,512,389	17,335,113	19,588,678	21,547,545	23,702,300	26,072,530	28,679,783	31,547,761	34,702,537	38,172,791	41,990,070	
90	PSERS	22,561,701	23,775,689	23,896,677	23,207,320	25,662,202	26,835,362	27,700,000	28,800,000	29,800,000	30,900,000	31,800,000	32,500,000	33,100,000	33,800,000	
91	Other Benefits	6,797,767	6,773,545	6,885,204	6,713,932	7,257,138	7,432,224	7,600,000	7,800,000	8,000,000	8,200,000	8,400,000	8,600,000	8,800,000	9,000,000	
92	Professional Services	3,150,563	2,831,599	3,544,822	3,717,582	3,809,374	3,870,000	3,810,000	3,870,000	3,940,000	4,010,000	4,080,000	4,150,000	4,220,000	4,290,000	
93	Purchased Property Services	1,781,117	1,320,379	1,214,940	1,507,700	1,422,447	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	5,929,478	6,489,092	5,763,554	5,825,760	5,920,000	6,020,000	6,120,000	6,220,000	6,330,000	6,440,000	6,550,000	6,660,000	6,770,000	
95	Other Purchased Services	6,465,922	6,138,888	6,937,527	6,698,338	7,082,266	7,020,000	7,140,000	7,260,000	7,380,000	7,510,000	7,640,000	7,770,000	7,900,000	8,030,000	
96	Supplies/Equipment	8,155,769	7,579,832	6,896,594	8,810,674	7,903,308	7,980,000	8,060,000	8,100,000	8,180,000	8,110,000	8,190,000	8,270,000	8,350,000	8,430,000	
97	Minor Capital Projects	2,222,559	2,258,549	1,384,838	1,384,838	1,412,535	2,343,321	2,390,188	2,437,991	2,486,751	2,536,486	2,587,216	2,638,960	2,691,740	2,745,574	
98	Transfers/contingencies	283,622	703,311	2,095,349	912,178	1,757,728	1,694,034	1,721,914	1,750,353	1,779,360	1,808,947	1,839,126	1,869,908	1,901,306	1,933,332	
99	Debt Service	7,613,533	7,453,050	7,469,638	7,084,029	7,415,475	7,360,250	7,367,000	7,370,275	7,361,125	6,335,800	6,334,675	3,781,150	3,783,025	2,617,900	
100	Debt Service - Referendum Debt	5,254,125	5,258,625	5,258,125	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	5,257,425	
101	Transfer to Capital Projects - DCED Grant	6,799,671	606,921	-	-	-	-	-	-	-	-	-	-	-	-	
102	Transfer to Capital Reserve (1)	8,175,289	3,081,825	-	-	198,376	2,513,370	2,435,928	2,296,498	2,532,769	2,230,327	3,155,669	3,021,582	5,185,341	5,185,341	
103	Fund Balance Assignment/Use (COVID-19)	-	10,158,600	911,000	11,482,290	(142,426)	(5,310,900)	(8,001,820)	(8,185,744)	-	-	-	-	-	-	
104	Fund Balance Use (PSERS)(2)	(1,207,573)	-	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	(263,460)	-	-	-	-	
105																
106	Total Expenses and Fund Balance Transfers	\$166,121,836	\$168,622,623	\$158,572,508	\$165,378,277	\$166,824,232	\$170,424,618	\$172,463,959	\$177,820,473	\$191,871,611	\$196,569,216	\$203,892,839	\$207,465,955	\$216,143,279	\$221,971,217	
107																
108	Total Expense and Transfers (excl fund balance use/assignment)	\$167,329,409	\$158,464,023	\$158,057,667	\$154,292,146	\$167,362,817	\$176,131,677	\$180,861,938	\$186,402,376	\$192,267,770	\$196,832,676	\$203,892,839	\$207,465,955	\$216,143,279	\$221,971,217	
109																
110	(1) Includes estimated plancon reimbursement related to debt service funded from the capital reserve fund beginning in 2021-22.															
111	(2) Recommendation for use of fund balance may change.															
112																
113																
114	Total Debt Service (General + Capital Reserve Fund)															
115	Debt Service Paid from Capital Reserve (3)	\$3,444,319	\$4,079,915	\$4,848,525	\$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	\$4,881,925	
116	Total Debt Service (including referendum debt)	\$16,311,977	\$16,791,590	\$17,576,288	\$17,190,679	\$17,528,875	\$17,473,425	\$17,474,425	\$17,476,825	\$17,470,800	\$16,437,475	\$16,436,475	\$13,890,450	\$13,893,875	\$12,757,250	
117																
118	Interest included in Debt Service	\$8,976,977	\$9,111,590	\$9,266,288	\$9,185,472	\$8,848,875	\$8,483,425	\$8,034,425	\$7,561,825	\$7,065,800	\$6,627,475	\$6,201,475	\$5,755,450	\$5,408,875	\$5,012,250	
119	(3) Debt service for Series 2018 and Series 2019 Bonds for all years is included in the Capital Reserve Fund.															

	B	C	W	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ
1	State College Area School District														
2	General Fund Activity														
3	3/31/2021														
4															
5															
6															
15			Actual 2019-	Projected	Budget 2021-	Projected	Projected	Projected	Projected	Projected 2026-	Projected 2027-	Projected	Projected 2029-	Projected 2030-	Projected 2031-
16			2020	2020-2021	2022	2022-2023	2023-2024	2024-2025	2025-2026	2027	2028	2028-2029	2030	2031	
17	Beginning Fund Balance		\$13,253,860	\$12,627,467	\$12,220,003	\$13,254,859	\$13,949,137	\$14,324,630	\$13,998,081	\$4,444,959	(\$4,962,419)	(\$16,649,548)	(\$26,970,886)	(\$40,779,819)	i
18															
19	Revenue		167,918,285	164,970,814	167,859,087	171,118,896	172,839,453	177,493,924	182,318,490	187,161,838	192,205,709	197,144,617	202,334,346	207,670,016	
20															
21	Local		135,482,211	131,410,197	131,955,939	135,366,135	139,209,217	143,245,915	147,510,514	151,805,879	156,337,434	161,019,244	165,843,442	170,815,819	
22	State		29,981,916	29,976,032	31,349,491	32,007,392	32,495,236	33,113,009	33,672,975	34,220,958	34,733,276	34,990,374	35,355,905	35,719,197	
23	Federal		2,454,158	3,584,585	4,553,657	3,745,368	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	1,135,000	
24															
25	Expense and transfers (excluding use of fund balance)		158,464,023	154,292,146	167,362,817	176,131,677	180,861,938	186,402,376	192,267,770	196,832,676	203,892,839	207,465,955	216,143,279	221,971,217	
26	Revenue less expense		9,454,262	10,678,668	496,270	(5,012,781)	(8,022,486)	(8,908,452)	(9,949,281)	(9,670,838)	(11,687,130)	(10,321,338)	(13,808,933)	(14,301,201)	ii
27															
28	Funding/(Use) of Assigned Fund Balance (COVID-19)		10,158,600	11,482,290	(142,426)	(5,310,900)	(8,001,820)	(8,185,744)	-	-	-	-	-	-	iii
29	(Use) of Assigned Fund Balance (PSERS/Legal Liability)		0	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	(263,460)	0	0	0	0	iv
30	Incr (Decr) in Assigned Fund Balance		10,158,600	11,086,131	(538,585)	(5,707,059)	(8,397,979)	(8,581,903)	(396,159)	(263,460)	-	-	-	-	v (iii+iv)
31															
32	Change in non-spendable Fund Balance		77,945												
33															
34	Change in Unassigned General Fund Balance		(626,393)	(407,463)	1,034,855	694,278	375,493	(326,549)	(9,553,122)	(9,407,378)	(11,687,130)	(10,321,338)	(13,808,933)	(14,301,201)	vi (ii-v)
35															
36	Ending Unassigned Fund Balance		\$12,627,467	\$12,220,003	\$13,254,859	\$13,949,137	\$14,324,630	\$13,998,081	\$4,444,959	(\$4,962,419)	(\$16,649,548)	(\$26,970,886)	(\$40,779,819)	(\$55,081,020)	(i+vi)
37															

	B	C	T	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI
1	State College Area School District															
2	General Fund Balance															
3	3/31/2021															
4																
5		Actual	Actual	Budget	Projected	Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
6		2018-2019	2019-2020	2020-2021	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	
7	General Fund - Unassigned															
8	Beginning Balance	\$12,252,696	\$13,253,860	\$12,648,033	\$12,627,467	\$12,220,003	\$13,254,859	\$13,949,137	\$14,324,630	\$13,998,081	\$4,444,959	(\$4,962,419)	(\$16,649,548)	(\$26,970,886)	(\$40,779,819)	
9																
10	Revenue less Expense (incl change in no	1,001,164	(626,393)	(129,818)	(407,463)	1,034,855	694,278	375,493	(326,549)	(9,553,122)	(9,407,378)	(11,687,130)	(10,321,338)	(13,808,933)	(14,301,201)	
11																
12	General Fund - Unassigned	13,253,860	12,627,467	12,518,216	12,220,003	13,254,859	13,949,137	14,324,630	13,998,081	4,444,959	(4,962,419)	(16,649,548)	(26,970,886)	(40,779,819)	(55,081,020)	
13																
14	% of Expense (subject to 8% cap)	7.92%	7.97%	7.92%	7.92%	7.92%	7.92%	7.92%	7.51%	2.31%	-2.52%	-8.17%	-13.00%	-18.87%	-24.81%	
15																
16																
17	General Fund - Assigned															
18	PSERS															
19	Beginning Balance	3,847,987	2,640,414	2,640,414	2,640,414	2,244,255	1,848,096	1,451,937	1,055,778	659,619	263,460	-	-	-	-	
20																
21	Additions															
22	Planned Uses	(1,207,573)	-	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	(263,460)	-	-	-	-	
23																
24	Ending Fund Balance	2,640,414	2,640,414	2,244,255	2,244,255	1,848,096	1,451,937	1,055,778	659,619	263,460	-	-	-	-	-	
25																
26																
33																
42	COVID-19															
43	Beginning Balance	-	-	7,054,000	10,158,600	21,640,890	21,498,464	16,187,564	8,185,744	-	-	-	-	-	-	
44																
45	Additions/Use		10,158,600	911,000	11,482,290	(142,426)	(5,310,900)	(8,001,820)	(8,185,744)	-	-	-	-	-	-	
46																
47																
48	Ending Fund Balance	-	10,158,600	7,965,000	21,640,890	21,498,464	16,187,564	8,185,744	-	-	-	-	-	-	-	
49																
50																
51	Total General Fund - Assigned	2,640,414	12,799,014	10,209,255	23,885,145	23,346,560	17,639,501	9,241,522	659,619	263,460	-	-	-	-	-	
52																
53	Total General Fund	15,894,274	25,426,481	22,727,471	36,105,148	36,601,419	31,588,638	23,566,152	14,657,700	4,708,419	(4,962,419)	(16,649,548)	(26,970,886)	(40,779,819)	(55,081,020)	

	B	C	T	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI
57	State College Area School District															
58	Capital Reserve Fund															
59	3/31/2021															
60																
61		Actual	Actual	Budget	Projected	Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
62		2018-2019	2019-2020	2020-2021	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	
63																
64	Beginning Balance	\$62,683,123	\$65,352,257	\$64,622,655	\$64,456,646	\$60,078,765	\$53,536,802	\$49,711,961	\$45,955,423	\$44,321,402	\$42,884,568	\$41,125,114	\$37,849,679	\$34,369,012	\$32,982,749	
65																
66	Additions:															
67	Transfer	8,175,289	1,783,500	-	-	198,376	2,513,370	2,435,928	2,296,498	2,532,769	2,230,327	3,155,669	3,021,582	5,185,341	5,185,341	
68	Lemont Sale		1,298,325													
69	Bond Reimbursements			198,361	198,361	198,376	198,370	198,428	198,298	198,269	198,327	198,169	198,082	198,341	198,341	
70	Donation/Net Investment Earnings	1,331,388	1,191,756	273,113	272,283	250,394	653,052	794,239	719,108	686,428	657,691	622,502	556,994	487,380	459,655	
71	Total Additions	9,506,677	4,273,581	471,474	470,644	647,146	3,364,792	3,428,595	3,213,904	3,417,466	3,086,345	3,976,340	3,776,658	5,871,062	5,843,337	
72																
73	Uses:															
74	Debt Service:															
75	2018 Bonds - Elementary (1)	(3,444,319)	(3,441,200)	(3,444,450)	(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)	(3,444,100)	
76	2019 Bonds - HS/Elem/Nittany Ave/Memorial Field/Playgrounds/North bldg (2)		(638,715)	(1,404,075)	(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)	(1,437,825)	
77	Middle School (3)	-	-	-	-	-	-	-	-	-	-	(2,404,600)	(2,404,400)	(2,404,400)	(2,404,400)	
78	Capital Expenditures:															
79	Athletic/Recreation Facilities (4)	(83,158)	-	-	-	(2,333,333)	(2,333,333)	(2,333,333)	-	-	-	-	-	-	-	
80	MNMS HVAC	(1,687,185)	(563,613)													
81	South Track Lighting	(6,811)	(442,209)													
82	North Field Lighting	(437,220)														
83	North Field Turf	(1,178,850)	(83,455)													
84	Total Uses	(6,837,543)	(5,169,192)	(4,848,525)	(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)	(7,257,325)	(7,286,325)	
85																
86	Net Change	2,669,133	(895,611)	(4,377,051)	(4,377,881)	(6,541,963)	(3,824,841)	(3,756,538)	(1,634,021)	(1,436,834)	(1,759,455)	(3,275,435)	(3,480,667)	(1,386,263)	(1,442,988)	
87																
88	Ending Fund Balance	\$65,352,257	\$64,456,646	\$60,245,604	\$60,078,765	\$53,536,802	\$49,711,961	\$45,955,423	\$44,321,402	\$42,884,568	\$41,125,114	\$37,849,679	\$34,369,012	\$32,982,749	\$31,539,761	
89																
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>															

State College Area School District
 Fund Balance Summary - General and Capital Reserve Fund
 3/31/2021

	Actual 2018- 2019	Budget 2019- 2020	Projected 2019-2020	Actual 2019- 2020	Budget 2020- 2021	Projected 2020-2021	Budget 2021- 2022	Projected 2022-2023	Projected 2023-2024	Projected 2024-2025	Projected 2025-2026	Projected 2026-2027	Projected 2027-2028
Nonspendable Fund Balance	\$ 1,933,433	\$ 1,801,683	\$ 1,933,433	\$ 1,855,488	\$ 1,933,433	\$ 1,855,488	\$ 1,855,488	\$ 1,855,488	\$ 1,855,488	\$ 1,855,488	\$ 1,855,488	\$ 1,855,488	\$ 1,855,488
General Unassigned	13,253,860	12,756,751	12,648,033	12,627,467	12,518,216	12,220,003	13,254,859	13,949,137	14,324,630	13,998,081	4,444,959	(4,962,419)	(16,649,548)
General Assigned COVID-19	-	-	7,054,000	10,158,600	7,965,000	21,640,890	21,498,464	16,187,564	8,185,744	-	-	-	-
General Assigned PSERS	2,640,414	1,980,794	2,640,414	2,640,414	2,244,255	2,244,255	1,848,096	1,451,937	1,055,778	659,619	263,460	-	-
General Assigned Legal Liability	-	-	-	-	-	-	-	-	-	-	-	-	-
Total General Fund	17,827,707	16,539,228	24,275,881	27,281,969	24,660,904	37,960,637	38,456,907	33,444,126	25,421,641	16,513,188	6,563,908	(3,106,930)	(14,794,060)
Capital Reserve Fund	65,352,257	59,227,936	64,622,655	64,456,646	60,245,604	60,078,765	53,536,802	49,711,961	45,955,423	44,321,402	42,884,568	41,125,114	37,849,679
Total Fund Balance	\$ 83,179,964	\$ 75,767,163	\$ 88,898,535	\$ 91,738,615	\$ 84,906,508	\$ 98,039,402	\$ 91,993,710	\$ 83,156,087	\$ 71,377,064	\$ 60,834,591	\$ 49,448,476	\$ 38,018,183	\$ 23,055,619

State College Area School District



2021-22 Budget Development

**State College
Area School District
April 19, 2021**

Budget 2021-22

- 2021-22 Proposed Final Budget
- FTEs
- Proposed Virtual Academy expenses
- Unemployment
- Inflation
- Tax Increase

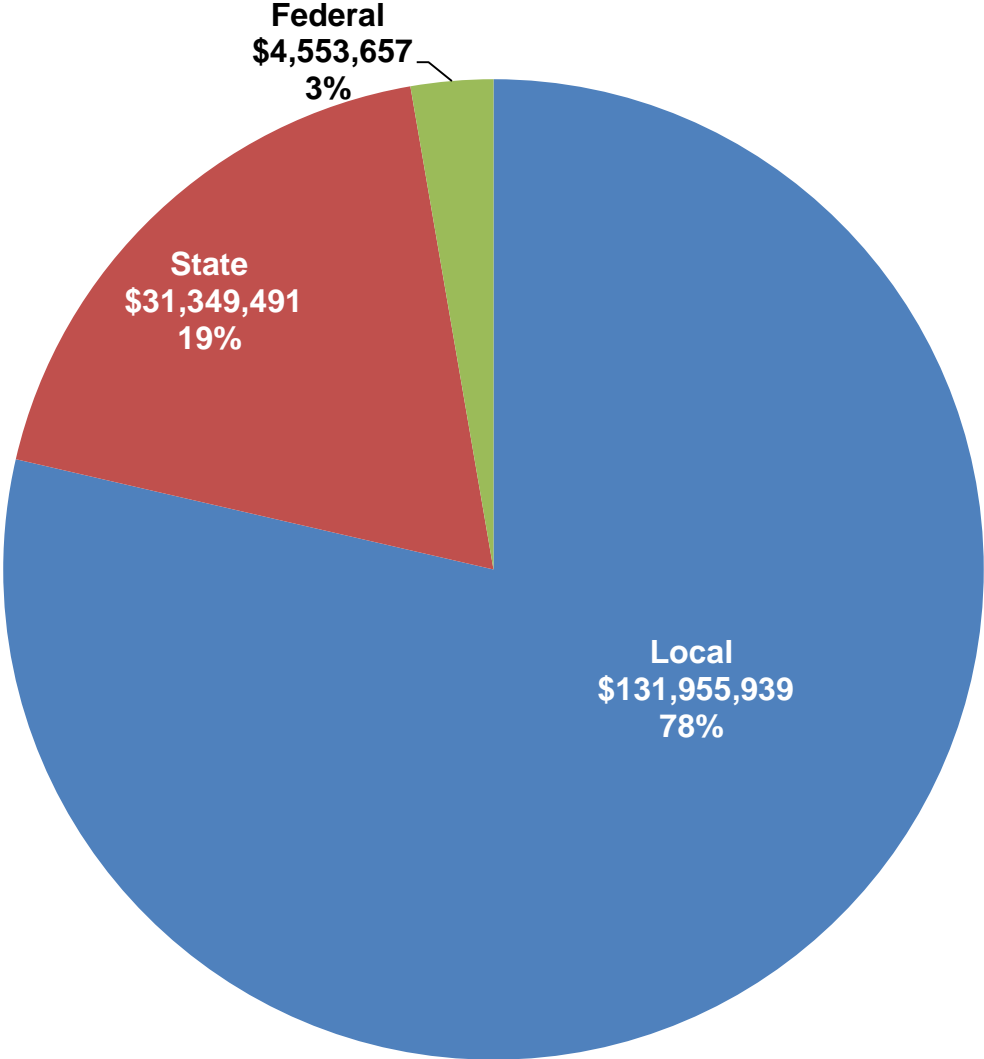
Budget 2021-22

Beginning Fund Balance	\$12,220,003
Revenue	167,859,087
Local	131,955,939
State	31,349,491
Federal	4,553,657
Expense and transfers (excluding use of fund balance)	167,362,817
Revenue less expense	<u>496,270</u>
Funding/(Use) of Assigned Fund Balance (COVID-19)	(142,426)
(Use) of Assigned Fund Balance (PSERS/Legal Liability)	(396,159)
Incr (Decr) in Assigned Fund Balance	<u>(538,585)</u>
Change in Unassigned General Fund Balance	<u>1,034,855</u>
Ending Unassigned Fund Balance	<u>\$13,254,859</u>

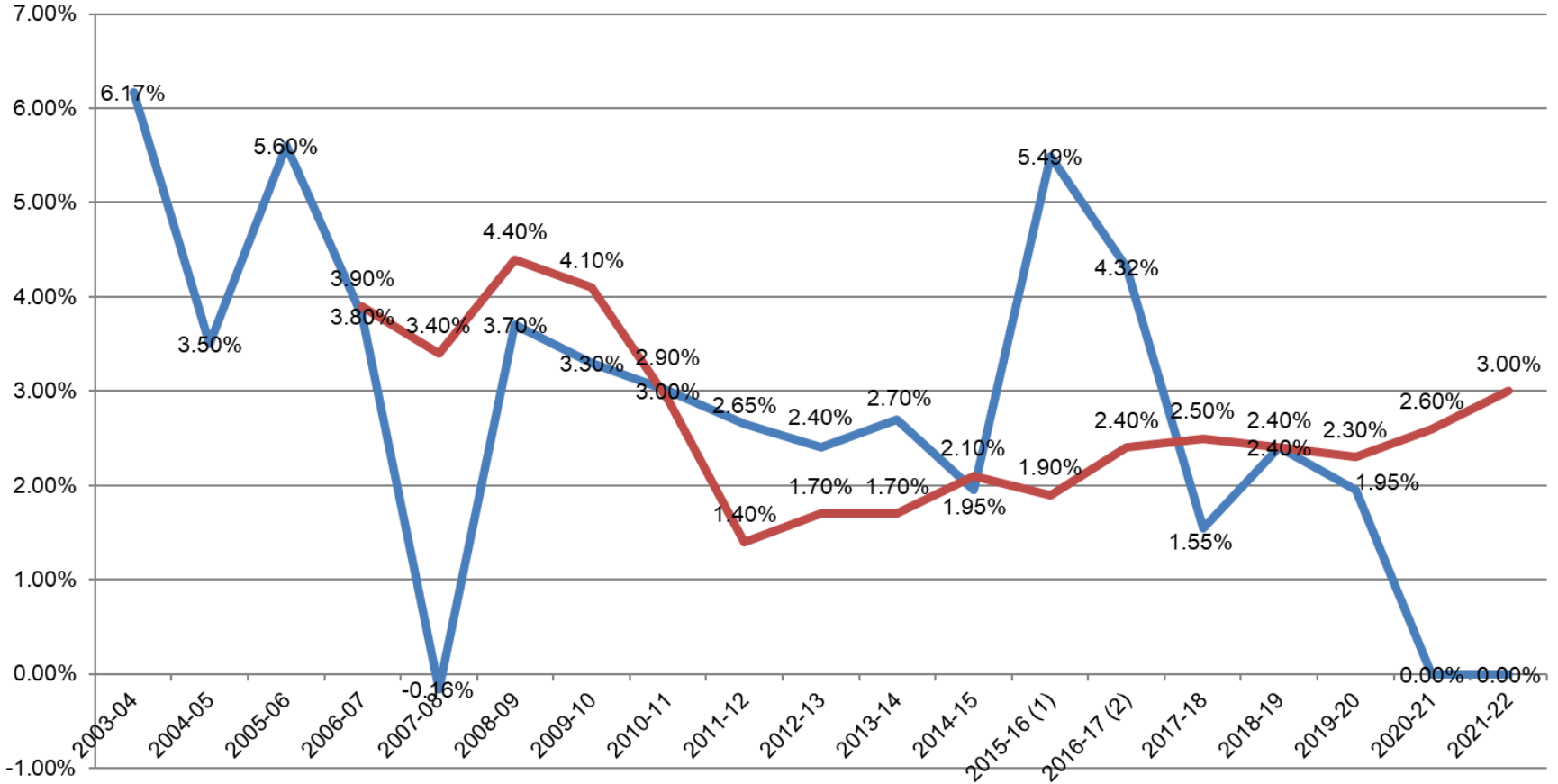
Assumes 0% real estate tax increase.

The recent increase to the earned income tax assumption provided an increase in fund balance through 2025-26 of \$7,498,850. The impact of a 1% real estate tax increase in 2021-22 would be \$5,681,519.

2021-22 Revenue by Source



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 = 2.04%

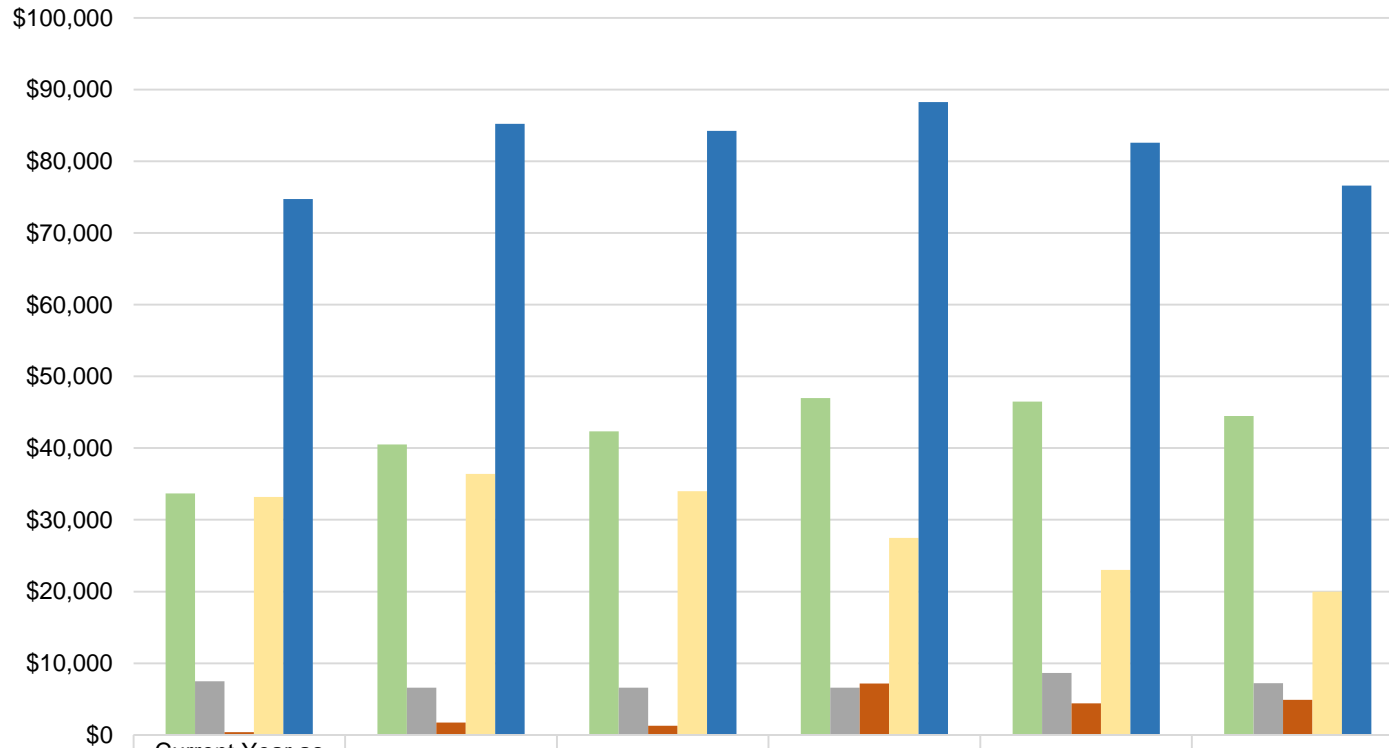
10- Year Avg = 2.54%

— Real Estate — Act 1 Index

Supplemental Tax Rebate

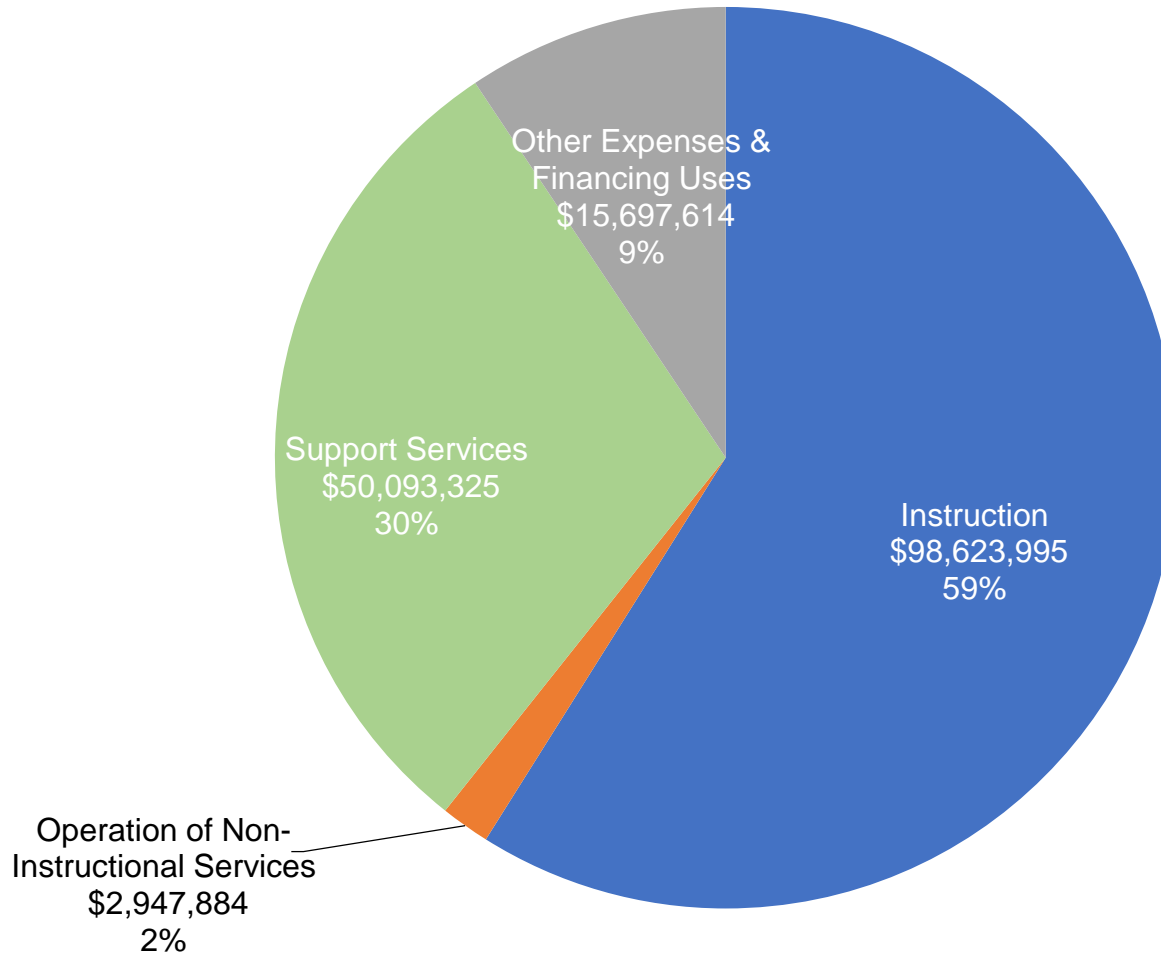
- \$100,000 has been set aside in the 2021-22 budget for this program
- Applications will be distributed with the tax bills on July 1
- Applications accepted beginning July 1, 2021
 - Applications accepted June 15, 2020 for the 2020-21 program
 - The state has not yet announced early release of checks for this year.
- Current year program due date for applications is June 30
 - Program was extended to July 31 in 2020 due to low number of applications in March and April
 - Year-to-date rebates in 2020-21 are slightly below historical levels most likely due to move from April to May 17th tax filing deadline.

Supplemental Tax Rebate

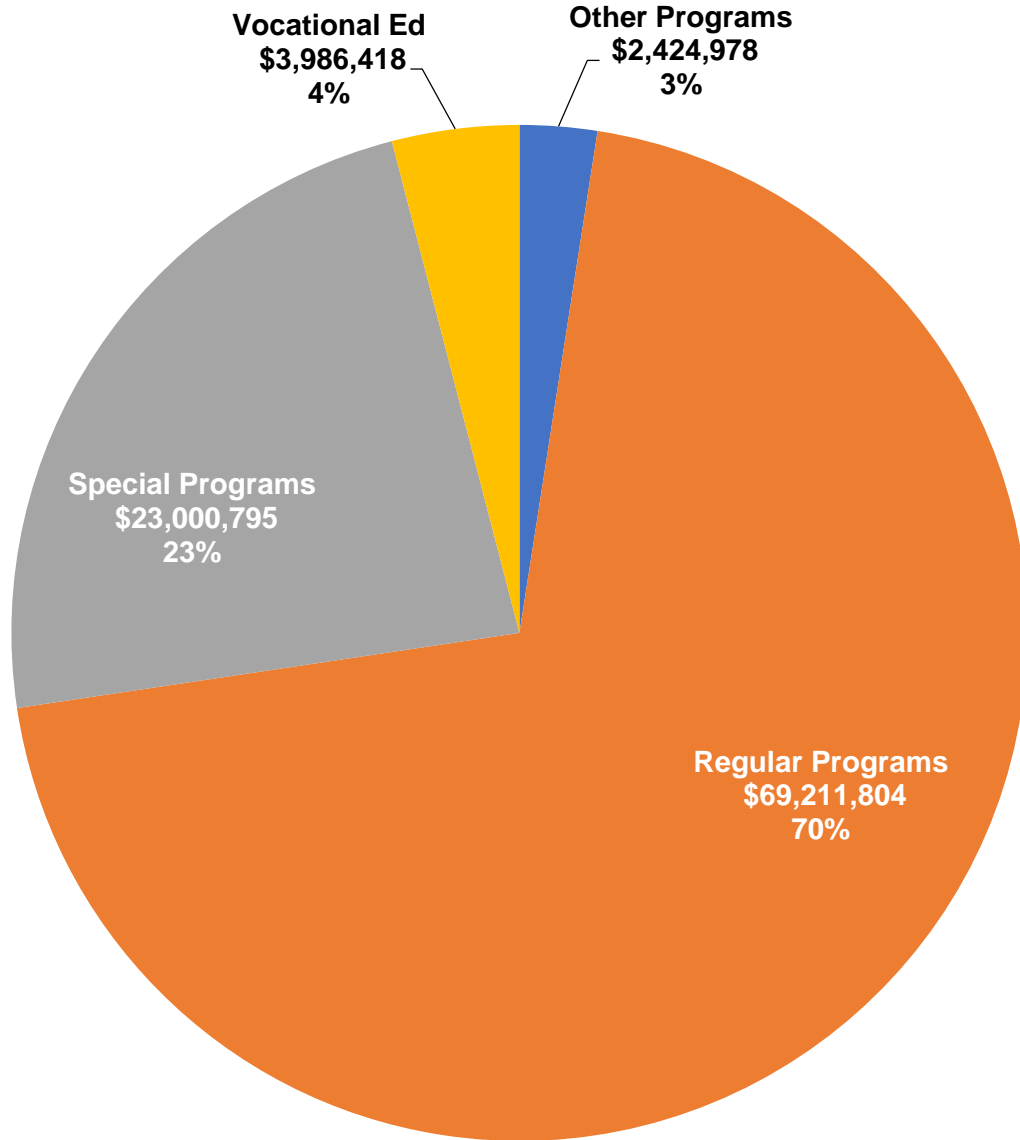


	Current Year as of 4/12/2021	2019-20	2018-2019	2017-2018	2016-2017	2015-2016
■ up to \$250	\$33,659	\$40,491	\$42,338	\$46,992	\$46,500	\$44,500
■ \$251 to \$300	\$7,500	\$6,600	\$6,600	\$6,600	\$8,660	\$7,200
■ \$301 - \$499	\$403	\$1,753	\$1,304	\$7,174	\$4,424	\$4,890
■ \$500 - \$649	\$33,189	\$36,381	\$33,978	\$27,500	\$23,000	\$20,000
■ Total Dollars	\$74,751	\$85,225	\$84,220	\$88,266	\$82,584	\$76,590

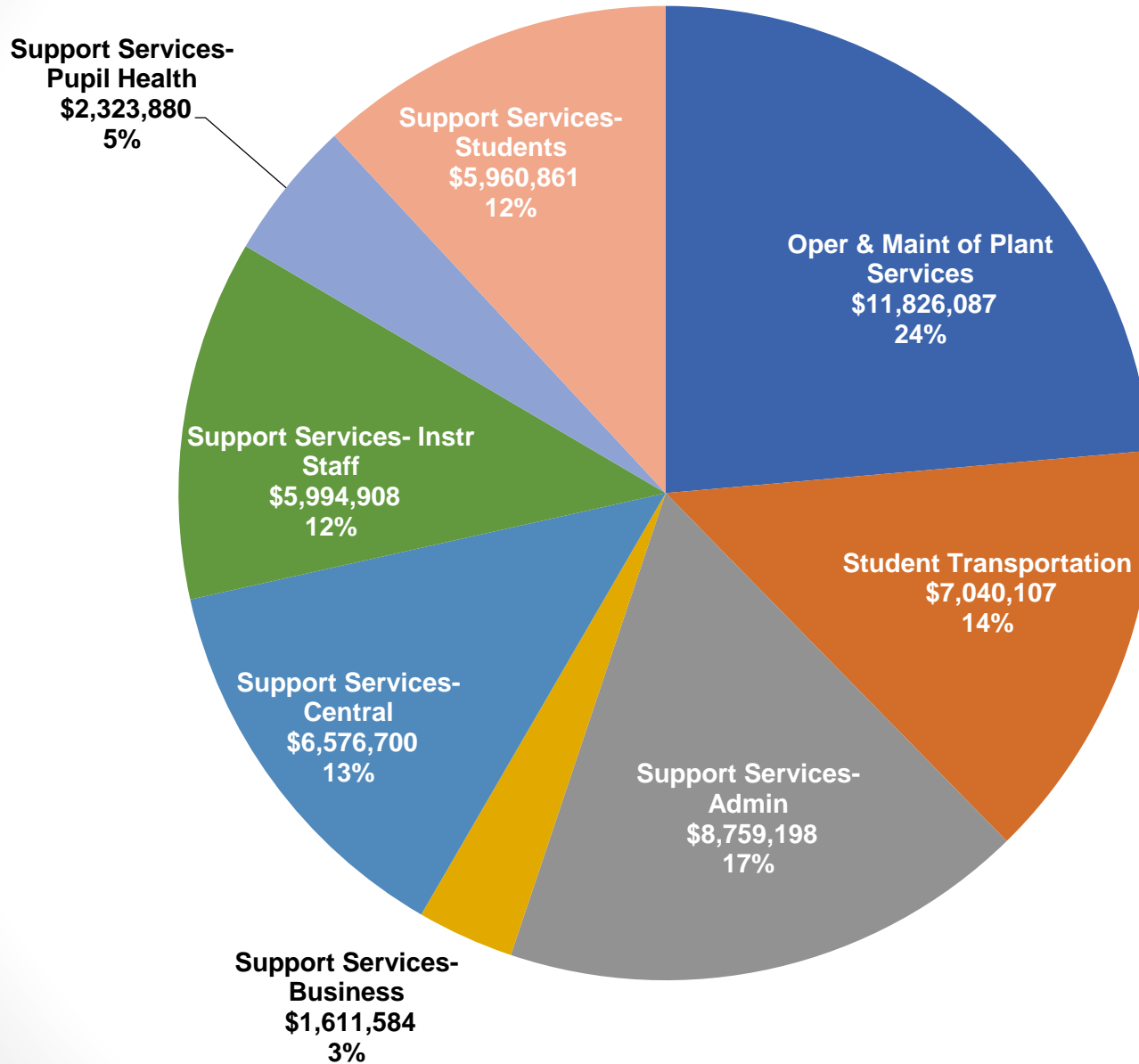
2021-22 Budgeted Expense by Function



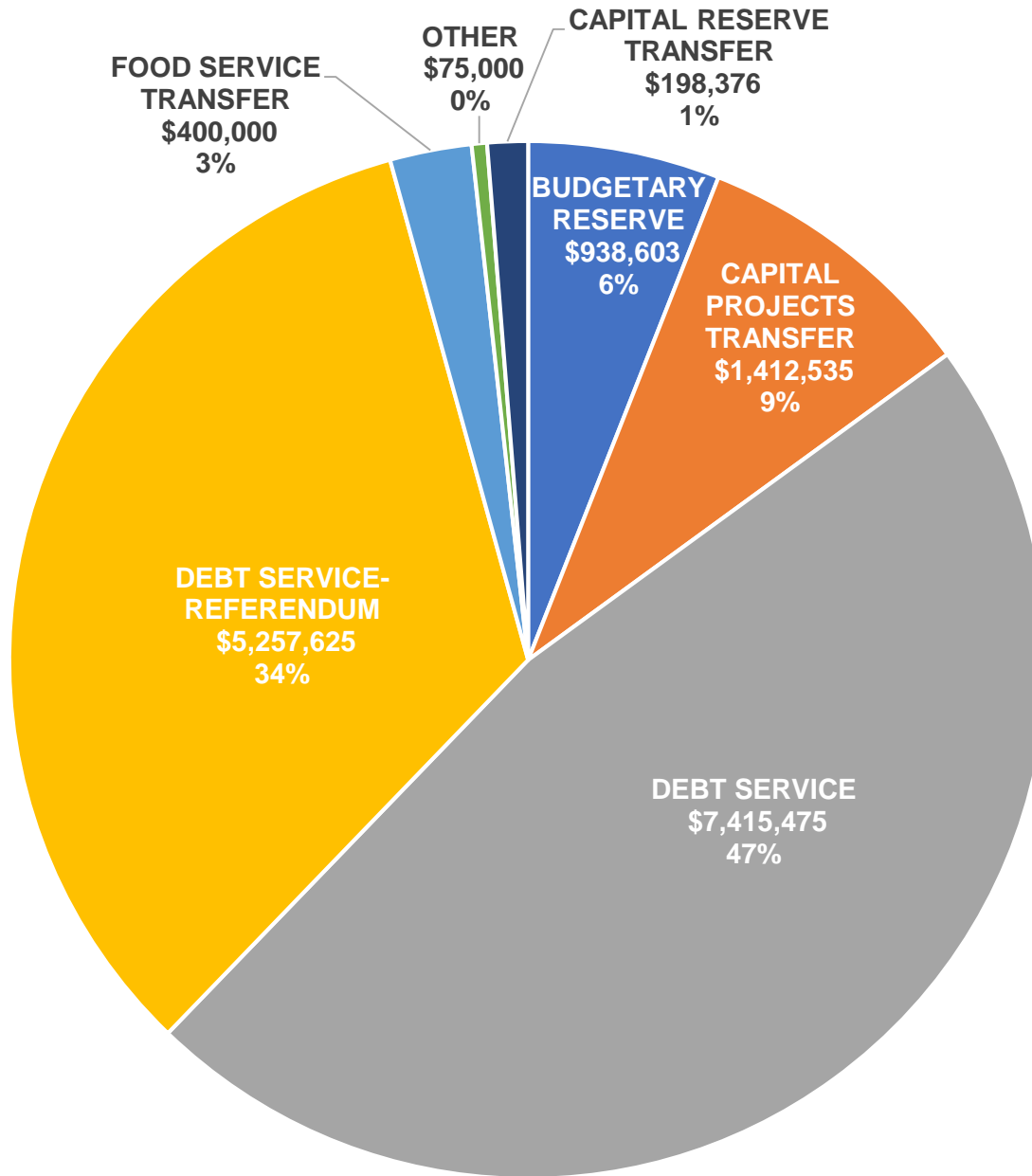
2021-22 Budget Instructional Expense



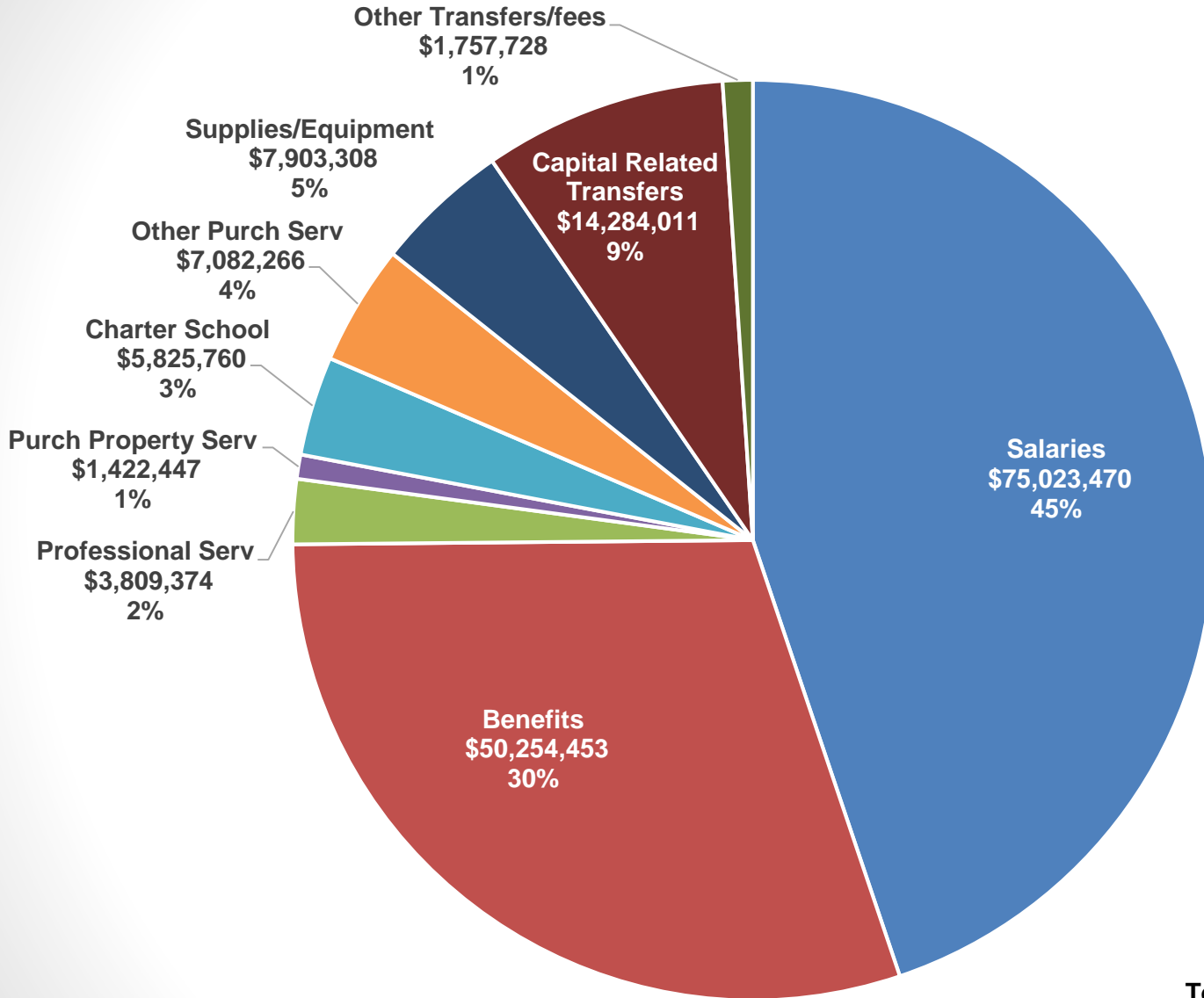
2021-22 Support Services Expense



2021-22 Budget- Other Expense and Financing Uses



2021-22 Budgeted Expenses by Object



Total Salary and Benefits = 75%

2021-22 Proposed Budget												
	A	B	C	D	E	F	G	H	I	J	K	
	Function	Salaries	Benefits	Professional Services	Purchased Property Services	Charter School	Other Purchased Services	Supplies/ Equip	Other Exp & Financing Uses	Total Expense	2021-22 % of Total Budget	2019-20 % of Total Budget
1	Instructional											
2	Regular Instructional											
3	Regular Programs	\$ 38,573,396	\$ 24,101,230	\$ 46,859	\$ 34,695	\$ 4,163,772	\$ 453,692	\$ 1,135,541	\$ 47,552	\$ 68,556,737		
4	Federally Funded Reg Prog	418,204	206,377	-	-	-	-	30,487	-	655,067		
5	Total Regular Instructional	\$ 38,991,600	\$ 24,307,607	\$ 46,859	\$ 34,695	\$ 4,163,772	\$ 453,692	\$ 1,166,028	\$ 47,552	\$ 69,211,804	41%	40%
6	Other Instructional											
7	Vocational Educ	\$ 2,293,464	\$ 1,491,359	\$ 13,242	\$ 3,560	\$ -	\$ 21,445	\$ 151,480	\$ 11,869	\$ 3,986,418		
8	Other Programs	1,267,456	804,087	74,284	2,500	-	136,570	105,884	34,197	2,424,978		
9	Total Other Instructional	\$ 3,560,919	\$ 2,295,446	\$ 87,526	\$ 6,060	\$ -	\$ 158,015	\$ 257,363	\$ 46,066	\$ 6,411,396	4%	4%
10	Special Programs- Elem/Sec											
11	Life Skills Support- Public	\$ 210,394	\$ 123,809	\$ -	\$ -	\$ -	\$ 600	\$ 7,675	\$ -	\$ 342,478		
12	Deaf or Hearing Impaired Support	95,753	67,156	-	-	-	1,350	300	-	164,559		
13	Blind or Visually Impaired Support	134,210	110,368	60,000	-	-	1,720	1,900	-	308,198		
14	Speech and Language Support	703,392	453,600	-	-	-	1,500	11,130	-	1,169,622		
15	Emotional Support-Public	433,533	252,560	-	-	-	495,817	700	-	1,182,609		
16	Autistic Support	2,072,391	1,863,397	-	-	-	639,079	5,750	-	4,580,617		
17	Learning Support- Public	5,431,694	4,275,517	4,200	30,828	-	72,941	116,055	2,300	9,933,535		
18	Gifted Support	1,179,422	695,129	1,250	-	-	20,325	7,102	2,250	1,905,478		
19	Multi-Handicapped Support	293,020	244,963	-	-	-	-	300	-	538,283		
20	Special Programs- Other Support	338,406	185,202	252,100	-	1,661,988	366,500	70,800	420	2,875,415		
	Total Special Programs	\$ 10,892,214	\$ 8,271,700	\$ 317,550	\$ 30,828	\$ 1,661,988	\$ 1,599,832	\$ 221,712	\$ 4,970	\$ 23,000,795	14%	13%
21	Support Services											
22	Support Services-Students	\$ 3,439,885	\$ 2,396,919	\$ 41,919	\$ -	\$ -	\$ 23,925	\$ 55,187	\$ 3,025	\$ 5,960,861		
23	Support Services- Instr Staff	2,904,621	2,269,621	132,684	-	-	71,654	583,973	32,355	5,994,908		
24	Support Services- Admin	4,711,308	3,001,716	795,124	18,377	-	64,077	97,831	70,765	8,759,198		
25	Support Services- Pupil Health	1,029,365	716,387	558,608	-	-	-	19,520	-	2,323,880		
26	Support Services- Business	832,185	527,237	105,000	25,000	-	63,322	36,929	21,912	1,611,584		
27	Oper & Main of Plant Serv	3,965,193	3,087,850	701,737	1,134,500	-	436,501	2,493,307	7,000	11,826,087		
28	Student Transportation Serv	1,406,939	1,388,559	8,429	54,577	-	3,693,574	487,100	930	7,040,107		
29	Support Services- Central	1,945,440	1,329,533	358,135	95,550	-	453,834	2,343,409	50,800	6,576,700		
30	Total Support Services	\$ 20,234,937	\$ 14,717,822	\$ 2,701,635	\$ 1,328,004	\$ -	\$ 4,806,887	\$ 6,117,254	\$ 186,786	\$ 50,093,325	30%	29%
31	Non-instructional (i.e Student Activities/Athletics/Comm ed)	\$ 1,343,800	\$ 661,877	\$ 655,804	\$ 22,860	\$ -	\$ 63,841	\$ 140,950	\$ 58,751	\$ 2,947,884	2%	2%
32	Other Expenditures & Financing Uses											
33	Other								\$ 75,000	\$ 75,000		
34	Debt Service Transfer								7,415,475	7,415,475		
35	Debt Service- Referendum								5,257,625	5,257,625		
36	Capital Projects Transfer								1,412,535	1,412,535		
37	Food Service Transfer								400,000	400,000		
38	Capital Reserve Transfer								198,376	198,376		
39	Budgetary Reserve								938,603	938,603		
40	Total Other Exp & Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,697,614	\$ 15,697,614	9%	12%
41	Total 2021-22 Budget	\$ 75,023,470	\$ 50,254,453	\$ 3,809,374	\$ 1,422,447	\$ 5,825,760	\$ 7,082,266	\$ 7,903,308	\$ 16,041,739	167,362,818	100%	100%
	2021-22 % of Total Budget	45%	30%	2%	1%	3%	4%	5%	10%	100%		
	2019-20 % of Total Budget	44%	28%	2%	1%	4%	4%	5%	12%	100%		

Budgeted Additions

- Recurring
 - .5 Social Worker – grant funded in 2020-21
 - .5 Psychologist
 - 1.0 Custodian for Memorial Field/Fairmount
 - Virtual Academy program
- Non-recurring
 - Lost Learning – estimated portion of ESSER III grant to be utilized in 2021-22

Budgeted FTEs

June 2020

	Authorized	Budget 2021-22	Variance	Explanation
ELEMENTARY TEACHER	236.8	238.8	2.0	Add 3 Virtual; reduction of 1 PDA
SECONDARY TEACHER	261.3	260.8	(0.5)	Reduction of .5 PDA
NURSES, DENTAL HYGIENISTS	9.0	9.0	-	
GUIDANCE COUNSELOR	22.6	22.6	-	
PSYCHOLOGIST	10.5	11.0	0.5	Proposed addition
HOME AND SCHOOL VISITOR	1.5	2.0	0.5	Proposed retention of grant funded social worker
SPEECH AND HEARING	10.0	10.0	-	
LIBRARIAN	11.5	11.5	-	
COORDINATOR	5.8	5.8	-	
SPECIAL EDUCATION	65.1	65.1	-	
INSTR. TECHNOLOGY	6.8	6.8	-	
CENTRAL OFFICE ADMINISTR	5.0	5.0	-	
PRINCIPALS	11.0	11.0	-	
ASSISTANT PRINCIPALS	6.0	6.0	-	
OTHER ADMINISTRATORS	15.0	15.0	-	
ACT93MGRS	13.0	12.0	(1.0)	Physical Plant Asst Director position to remain vacant
SECRETARY	54.7	53.7	(1.0)	Secretary position to remain vacant
CLERICAL	4.0	4.0	-	
EXECUTIVE SECRETARY	7.0	7.0	-	
LUNCH PARA	13.8	13.8	-	
RECESS PARA	13.1	13.1	-	
LIBRARY PARA	10.0	10.0	-	

Budgeted FTEs

June 2020

Authorized Budget 2021-22 Variance Explanation

	Authorized	Budget 2021-22	Variance	Explanation
SPECIAL ED PARA	164.9	164.9	-	
INSTRUCTIONAL PARA	71.6	71.5	(0.1)	
CUMPUTER LAB PARA	4.0	4.0	-	
CLERICAL PARA	1.0	1.0	-	
GUIDANCE PARA	-	-	-	
MONITOR PARA	1.0	1.0	-	
HEALTH CARE PARA	9.6	9.6	-	
LIFT BUS PARAPROFESSIONAL	0.6	0.6	-	
PHYSICAL PLANT	84.0	85.0	1.0	Proposed addition of custodian for Memorial Field/Fairmount
TRANSPORTATION	38.6	38.6	-	
EDUCATIONAL RECORD	1.0	1.0	-	
FINANCE OFFICE	1.0	1.0	-	
HR GENERALIST	1.0	1.0	-	
PRINT SHOP WORKERS	2.5	2.0	(0.5)	.5 position included in contracted services
SECURITY GUARDS	2.1	2.1	-	
POOL OPERATOR	0.5	0.5	-	
FITNESS CENTER SUPERVISOR	1.0	1.0	-	
TECHNOLOGY SPECIALIST	15.0	15.0	-	
INTERPRETER	1.5	1.5	-	
CEEL SUPERVISOR - COMM ED	8.0	7.0	(1.0)	Position no longer utilized
CEEL ASST SITE SUPERVISOR	2.5	2.5	-	
Total	1,204.7	1,204.6	(0.1)	

Virtual Academy

- Elementary
 - Budget Assumptions
 - 100 Virtual Students
 - Approximately 200 students in 2020-21
 - Survey of these parents resulted in 50% intending to continue virtual in 2021-22
 - 3 full time teachers (needs further evaluation)
 - Fuel rates consistent with current contract
- Secondary
 - Assumptions
 - 175 students
 - Approximately 280 students in 2020-21
 - Survey of parents was inconclusive due to low response rate.
 - Assumes existing teachers paid additional per student amount
 - 2020-21 included full time teachers, one section for some teachers and additional pay per student for some teachers.
 - Edgenuity rates consistent with current contract

Virtual Academy

- Projected 2020-21 Expense:

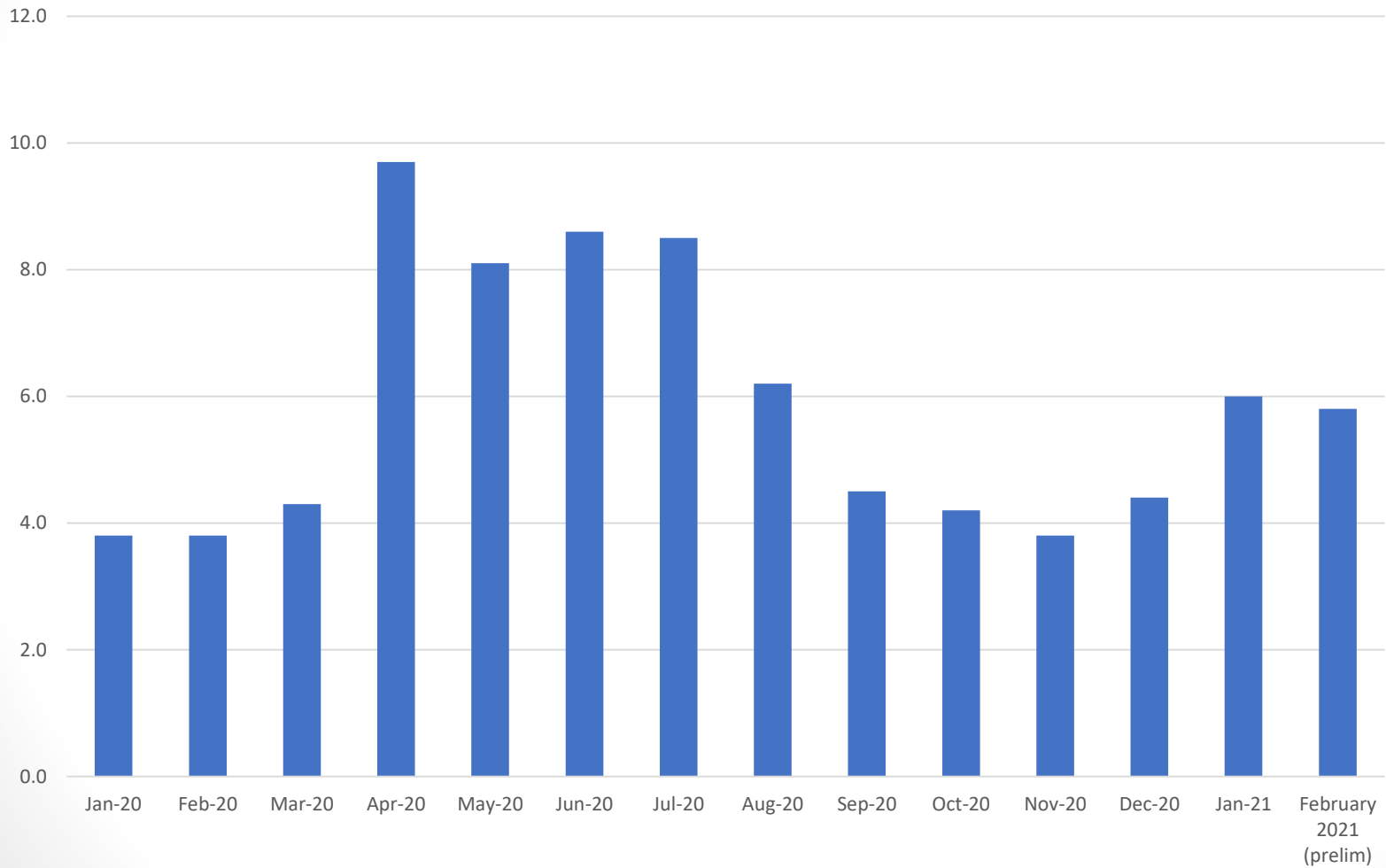
	Elementary	Secondary
Teacher Salaries	\$360,199	\$658,871
Teacher Benefits	222,208	367,323
Other Salary and Benefits	-	90,449
Online Learning Provider	346,814	261,900
Total Projected Cost	<u>\$929,221</u>	<u>\$1,378,542</u>

- Budgeted 2021-22 Expense:

	Elementary	Secondary
Teacher Salaries	\$195,864	\$315,000
Teacher Benefits	134,537	132,853
Other Salary and Benefits	-	71,713
Online Learning Provider	173,250	142,500
Total Projected Cost	<u>\$503,651</u>	<u>\$662,066</u>

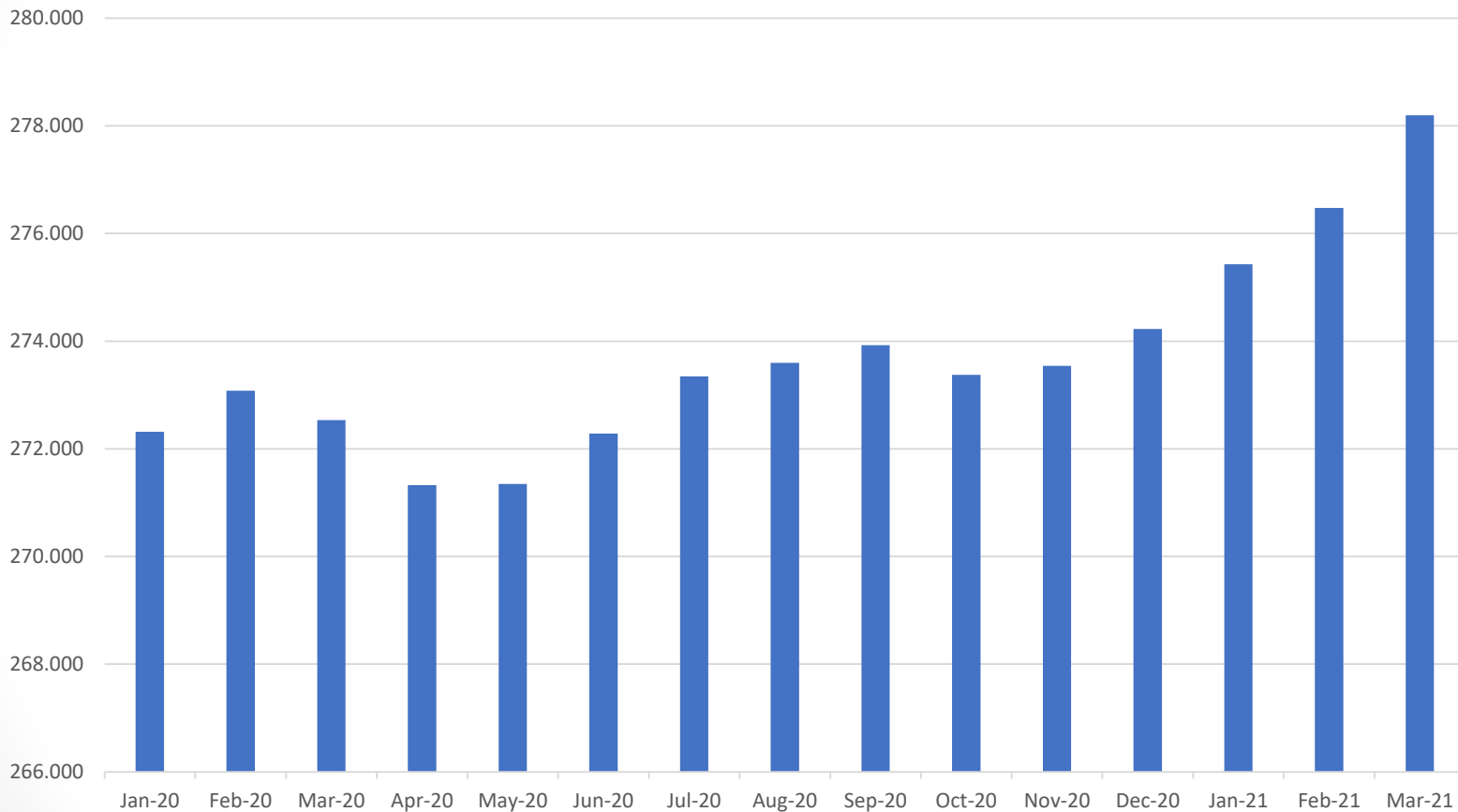
- Given the number of actual students may vary greatly from these budgeted amounts, the actual staffing structure will be adjusted to best fit the count and mix of elementary and secondary virtual students.

Unemployment Rate in State College



Source: U.S. Bureau of Labor Statistics

Consumer Price Index – Northeast Urban



Source: U.S. Bureau of Labor Statistics
Northeast urban, all urban consumers, not seasonally adjusted

Impact of Real Estate Tax Increase

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
	Assumed Real Estate Tax Increase (a)			Additional Tax Revenue Generated Through 2025-26	Unassigned Fund Balance as of June 30, 2026		Additional Tax Revenue Generated Through 2030-31	Unassigned Fund Balance as of June 30, 2031		
	2021-22	2022-23	2023-24		Balance	Percentage of Expense		Balance	Percentage of Expense	
1	(b)	0.0%	1.0%	2.0%	\$0	\$4,444,959	2.31%	\$0	(55,081,020)	-24.81%
2		0.5%	1.0%	2.0%	2,840,613	7,285,572	3.79%	6,158,538	(48,922,482)	-22.04%
3		0.0%	2.0%	2.0%	4,563,594	9,008,553	4.69%	11,140,979	(43,940,041)	-19.80%
4		0.5%	1.5%	2.0%	5,136,034	9,580,993	4.98%	11,764,127	(43,316,893)	-19.51%
5		1.0%	1.0%	2.0%	5,681,519	10,126,479	5.27%	12,322,289	(42,758,731)	-19.26%
6		0.5%	2.0%	2.0%	7,431,456	11,876,415	6.18%	17,369,716	(37,711,304)	-16.99%
7		0.5%	2.5%	2.0%	9,726,877	14,171,836	7.37%	22,977,901	(32,103,119)	-14.46%
8		1.0%	2.0%	2.0%	10,299,318	14,744,277	7.67%	23,601,049	(31,479,971)	-14.18%
9		2.0%	2.0%	2.0%	16,023,164	20,468,123	10.65%	36,036,746	(19,044,274)	-8.58%
10	(c)	0.0%	3.5%	2.0%	11,422,218	15,867,177	8.25%	27,881,994	(27,199,026)	-12.25%
11	(c)	0.0%	3.5%	3.7%	17,419,742	21,864,702	11.37%	45,233,210	(9,847,810)	-4.44%

(a) The projected rate for years after 2023-24 is 2% for all scenarios.

(b) Real estate tax percentage increases in the current version of the multiyear projection.

(c) The projected Act 1 Index for 2022-23 and 2023-24 is 3.5% and 3.7%, respectively.

Impact of Real Estate Tax Increase

Property Type	2020-21 Tax	Count of Parcels	Average Tax	Impact of Tax Increase		
				0.5%	1%	2%
Residential	\$66,047,542	19,931	\$3,314	\$17	\$33	\$66
Commercial and Industrial	\$38,824,478	1,577	\$24,619	\$123	\$246	\$492
Agricultural	\$2,653,459	554	\$4,790	\$24	\$48	\$96
All Taxable Properties (1)	\$109,567,719	24,953	\$4,391	\$22	\$44	\$88

(1) All taxable properties includes properties summarized in the three subgroups above, plus properties such as vacant land and non-commercial apartments.

Next Steps

- May 3, 2021- Board Meeting
 - Board Approval of Proposed Final Budget
- May 12, 2021- Finance and Audit Committee & CAC for Finance
- May 24, 2021- Board Meeting and Budget Hearing
- June 7, 2021 – Adopt Final Budget

Questions

State College Area School District



To: Board of School Directors
Dr. Robert O'Donnell, Superintendent

From: Megan Schaper, Food Service Director

RE: Report on Food Service Operations

Date: April 7, 2021

I appreciate this opportunity to tell you a bit about the Food Service Department operations over the past year. As you would expect, the year was filled with unusual challenges and opportunities.

Our normal operations ceased when schools closed in March 2020 due to the Covid-19 pandemic, and we immediately transitioned to emergency feeding through the United States Department of Agriculture's (USDA) Summer Food Service Program (SFSP). The program name is a misnomer as it is utilized to feed children at any time of the year when schools are closed. USDA initially funded meals to be served in geographic areas that were designated as needy and allowed schools to serve one breakfast and one lunch each day to children in those areas. Under these rules, we began delivering meals to three sites across the district on March 16, serving an average of 534 children each day.



By early April 2020, USDA provided waivers to allow schools to serve free meals to children at any location and for meals to be distributed in bundles of up to five breakfasts and lunches at a time. We pivoted and began serving families each Wednesday at the North Athletics/Delta Building. From April until August, families received weekly meal kits containing lunch and breakfast entrees, fruits, vegetables, and milk at no charge to the family. We served 1,100-1,300 children from approximately 650 families each week.

The Food Service Department is funded through sales including meal and snack sales to students, contracted sales to charter schools and day cares, and catering functions for school groups. All of those sources of income ceased when the pandemic began. The funding provided by USDA for emergency meals served not only to support families, but it helped to replace lost revenues. None the less, the food service program sustained a large financial loss, nearly \$550,000, for the 2019-2020 school year. But, the federal funding received between March and June did provide some relief as is demonstrated on the following page.



The “2019-2020 Actual” data shown here includes pre-pandemic operations and the emergency services that we undertook beginning in March. The net result was a loss of \$546,736. The “19-20 What If?” column reflects all sales frozen to the last day that students attended school. Food and supply expenses are also frozen to that last normal day. But, staff wages and benefits continued to be paid for the rest of the school year as was required by Act 13. By continuing to serve the community, the program lessened the financial loss by \$195,000.

	2019-2020 ACTUAL		19-20 - What If? NO SFSP	
Lunch Price (Elem-MS-HS)	\$2.70 - \$2.95 - \$3.50		\$2.70 - \$2.95 - \$3.50	
Lunches Sold + Distributed	461,705 + 81,117		461,705	
Brkfst Price (Elem-Sec)	\$1.45 - \$1.95		\$1.45 - \$1.95	
Brkfst Sold + Distributed	106,012 + 81,117		106,012	
LUNCH SALES	\$	1,094,522	\$	1,094,522
MILK SALES	\$	14,462	\$	14,462
BREAKFAST SALES	\$	105,850	\$	105,850
ALA CARTE SALES	\$	492,263	\$	492,263
ADULT SALES	\$	65,700	\$	65,700
SPECIAL FUNCTIONS	\$	59,849	\$	59,849
CONTRACTED SALES	\$	125,125	\$	125,125
STATE SUBSIDY	\$	78,944	\$	78,944
FEDERAL SUBSIDY	\$	1,050,422	\$	585,033
SOCIAL SECURITY	\$	53,021	\$	53,021
RETIREMENT	\$	252,266	\$	252,266
INTEREST	\$	875	\$	875
TOTAL INCOME	\$	3,393,299	\$	2,927,910
PAYROLL	\$	1,551,220	\$	1,551,220
		% SALES 45.7%		% SALES 53.0%
MEDICAL INSURANCE	\$	341,994	\$	341,994
		10.1%		11.7%
SOCIAL SECURITY	\$	113,127	\$	113,127
		3.3%		3.9%
RETIREMENT	\$	502,765	\$	502,765
		14.8%		17.2%
OTHER BENEFITS	\$	50,308	\$	50,308
		1.5%		1.7%
TOTAL COST OF LABOR	\$	2,559,414	\$	2,559,414
		75.4%		87.4%
FOOD	\$	994,666	\$	797,499
		29.3%		27.2%
MILK	\$	162,235	\$	128,309
		4.8%		4.4%
OTHER DIRECT EXPENSES	\$	191,513	\$	152,302
		5.6%		5.2%
TOTAL EXPENSE	\$	3,907,828	\$	3,637,524
		115.2%		124.2%
OPERATING P/L	\$	(514,529)	\$	(709,614)
		-15.2%		-24.2%
DEPRECIATION	\$	32,207	\$	32,207
PROFIT/LOSS	\$	(546,736)	\$	(741,821)

*excludes GASB 68/OPEB adjustments

The emergency meals program expired when schools reopened for the 2020-21 school year, but on August 31 USDA extended the program to allow free meals for all students, in and out of school, through December 31, 2020. Later in the fall, USDA announced that the program would continue for the entire school year. Last month USDA extended the program again. Free meals will be available for all students through the coming summer.

The extension of SFSP allowed us to continue our efforts to provide food to families whose children were learning at home. 1,000 to 3,000 meal kits, each containing food for 5 breakfasts and 5 lunches, have been distributed each week through the school year, with higher participation when the district was in full-remote mode.

In addition to providing free meals for families at home, the Food Service Department has responded with different methods of service to ensure that students who come to school have access to safe and tasty meals.

Menus for meals served in the school cafeterias this year were simplified to provide for efficient and safe service. Meals are fully packaged in disposable, to-go containers for elementary and middle school students. The high school food court provides opportunities for students to choose food items, but everything is served directly to the student or is fully packaged and displayed to “take the one you touch.” Because secondary students attend school on alternating days, middle and high school students are able to pick up meals as they leave the school building at the end of the day to have for the next day when they are learning at home.

This chart summarizes how students have accessed meals from the start of the school year through the end of March:

Distribution Location	Lunch	Breakfast
In School	214,998	83,253
Weekly Pick Up	217,425	217,425
Total Served	432,423	300,678



While attending school in person, nearly 70% of students are opting to get a free lunch each day and 30% take free breakfast.

USDA is reimbursing us for each meal served. The reimbursement rates have changed several times over the past year. A comparison of the reimbursement rates and our pre-pandemic meal prices are detailed below:

	Breakfast	Lunch
Average Revenue per Meal Pre-Pandemic (student price + reimbursement)	\$2.11	\$3.56
Reimbursement March – May 2020	\$1.94	\$3.62
Reimbursement June – December 2020	\$2.375	\$4.1525
Reimbursement January to date 2021	\$2.4625	\$4.3175

Projected income and expenses for 2020-2021 are detailed on the following page.

The pandemic focused the food service program on its most essential function: providing meals to children. All revenue categories other than the federal funds provided for meals served to students have been significantly curtailed this year.

The small lunch and breakfast sales recorded for this year are the result of the gap in time between SCASD’s first day of the school and USDA’s announcement of extending SFSP. Students were charged for meal purchases for the first seven days of this school year before SFSP funding became available.

	2020-2021	
	PROJECTED	BUDGET
Lunch Reimb	\$4.15/\$4.32	
Lunches Distributed	646,300	690,000
Brkfst Reimb	\$2.37/\$2.46	
Brkfst Distributed	417,500	165,000
LUNCH SALES	\$ 23,128	\$ 1,653,700
MILK SALES	\$ 2,340	\$ 23,950
BREAKFAST SALES	\$ 974	\$ 176,545
ALA CARTE SALES	\$ 72,000	\$ 743,000
ADULT SALES	\$ 36,000	\$ 99,500
SPECIAL FUNCTIONS	\$ 8,000	\$ 91,300
CONTRACTED SALES	\$ 55,000	\$ 175,000
STATE SUBSIDY	\$ 1,428	\$ 101,500
FEDERAL SUBSIDY	\$ 3,475,000	\$ 870,000
SOCIAL SECURITY	\$ 50,900	\$ 61,650
RETIREMENT	\$ 227,500	\$ 276,300
INTEREST	\$ 50	\$ 1,500
TOTAL INCOME	\$ 3,952,320	\$ 4,273,945
PAYROLL	\$ 1,409,400	\$ 1,611,350
	% SALES 35.7%	
MEDICAL INSURANCE	\$ 360,000	\$ 382,900
SOCIAL SECURITY	\$ 101,900	\$ 123,300
RETIREMENT	\$ 455,000	\$ 552,600
OTHER BENEFITS	\$ 69,220	\$ 70,195
TOTAL COST OF LABOR	\$ 2,395,520	\$ 2,740,345
	60.6%	
FOOD	\$ 1,024,000	\$ 1,258,700
MILK	\$ 215,000	\$ 193,300
	25.9%	
OTHER DIRECT EXPENSES	\$ 168,100	\$ 237,500
	4.3%	
TOTAL EXPENSE	\$ 3,802,620	\$ 4,429,845
	96.2%	
OPERATING P/L	\$ 149,700	\$ (155,900)
	3.8%	
DEPRECIATION	\$ 32,400	\$ 37,000
PROFIT/LOSS	\$ 117,300	\$ (192,900)

*all years excludes GASB 68/OPEB adjustments

Milk sales are significantly decreased with fewer students in school and fewer of those packing meals from home.

When students want to purchase milk to go with a meal packed from home, we encourage them to take a fruit and vegetable with the milk. Three food components meet the minimum requirements of a meal and can be provided to the student for free.

A la carte sales have been impacted in several ways. For efficiency and safety, we did not allow students in the middle and elementary schools to make a la carte purchases for the first few months of the school year.

Extra food sales in the high school have been reduced due to the simple fact that there are fewer students in the school building on any given day, and students are wisely opting for the free meal instead of paying for snack items.

Catering opportunities ended with the pandemic, but we are beginning to receive requests for game day meals for district sports teams. We resumed our contracts with Young Scholars Charter School in the fall and with ABC Day Cares just at the beginning of March,

though the number of meals ordered for both contracts are significantly less than pre-pandemic.

Most revenue categories are severely depressed, but the increase in federal funding will nearly make up the difference this year.

The program's largest expense is for labor and associated benefits. Because we are serving fewer meals and snacks in the school cafeterias and because of operational changes that require less labor (fewer dishes to wash due to the use of disposable service ware, for instance), we have not filled jobs that opened due to attrition. We have 14 part-time and 1 full-time positions currently unfilled. This provides significant savings in the current year, but we hope to fill these positions as operations return to normal.

Our next largest expenditures are for food supplies. Managing food purchases over the past year has been a significant challenge and there have been many forces impacting this expense category.

Food cost is highly influenced by the menu, and we made significant changes to our menus this year. To allow us to serve students safely and to minimize waste, we reduced the number of entrée choices offered at all grade levels. Fruit and vegetable side dishes are now automatically packed in the lunches served in the elementary and middle schools. Students do not have as wide an array of foods to choose from that has been a signature of our program in years past. What has not changed is the quality of the food and the care used to prepare it. Our meals continue to be well prepared and tasty. Menus can be found on our [web page](#).

Limiting choices this year has worked well to reduce waste and increase staff efficiency but could negatively impact participation when meals are no longer free. This is something that we will be monitoring and working with when we begin to return to “normal” and as we gear up staffing.

Our program receives an allowance from USDA to spend on food commodities such as ground beef, chicken, peas, corn, garbanzo beans, blueberries, peaches, applesauce, and strawberries. The only cost to us is \$3.09 per case for storage and delivery. We divert some of those commodity funds to purchase fresh produce through the Department of Defense (DOD). As you can imagine, this program is an important part of keeping purchased food costs low.

The commodity program has been greatly impacted by the pandemic. Schools across the country that have not reopened or are not feeding as many students have declined their commodity allocations. This has led to USDA cancelling some planned purchases. The downside of this is that we have not received some of the food items that we were expecting this year. On the other hand, USDA has excess food that they did purchase that is now available for schools who can use it.

The outcome for us has been that we have received \$269,000 worth of commodity foods through the end of March even though our allotment for the year is only \$248,000. Further, last week we received an additional \$20,000 to spend on DOD produce.

The increased expense for milk purchases reflects the many, many gallons of milk that we hand out each week with the Meals for Home bags.

Other direct expenses include the costs of paper and cleaning supplies, repairs, transportation, uniforms, office supplies, auto insurance, postage, printing, travel, and point-of-sale support. We are projecting to spend significantly less in many of these categories this year. We froze all small equipment replacement this year, are not printing monthly menus, are not purchasing dishwasher chemicals in our typical amounts, and are not attending conferences. We are purchasing more disposable service wares like take-out boxes and disposable forks to be used in the cafeterias and packaging materials for the meals that are packed for home. Yet overall, we are experiencing a net decrease in our supply expenses.



The net result for the 2020-2021 school year is that we are projecting to end the year in the black.

Budgeting for next year was very difficult as there are many more questions than answers at this time. How many students will be in the buildings next year? Will USDA continue to fund free meals for all children? If parents have to pay for meals, how will that affect participation? A summarized version of the 2021-2022 budget is included below:

	2021-2022 BUDGET		2020-2021 PROJECTED		18-19 (Pre-Pandemic) ACTUAL	
Lunch Price/Reimb Lunches Distributed	\$2.70 - \$2.95 - \$3.50 580,000		\$4.15/\$4.32 646,300		\$2.65 - \$2.90 - \$3.50 671,224	
Brkfst Price/Reimb Brkfst Distributed	\$1.45 - \$1.95 140,000		\$1.45 - \$1.95 417,500		\$1.45 - \$1.95 141,089	
LUNCH SALES	\$ 1,330,000		\$ 23,128		\$ 1,540,311	
MILK SALES	\$ 17,650		\$ 2,340		\$ 20,679	
BREAKFAST SALES	\$ 130,000		\$ 974		\$ 129,641	
ALA CARTE SALES	\$ 643,000		\$ 72,000		\$ 654,159	
ADULT SALES	\$ 75,000		\$ 36,000		\$ 88,231	
SPECIAL FUNCTIONS	\$ 39,500		\$ 8,000		\$ 94,233	
CONTRACTED SALES	\$ 130,000		\$ 55,000		\$ 178,155	
STATE SUBSIDY	\$ 81,900		\$ 1,428		\$ 95,432	
FEDERAL SUBSIDY	\$ 1,053,000		\$ 3,475,000		\$ 838,328	
SOCIAL SECURITY	\$ 60,250		\$ 50,900		\$ 54,486	
RETIREMENT	\$ 271,900		\$ 227,500		\$ 238,098	
INTEREST	\$ 50		\$ 50		\$ 1,693	
TOTAL INCOME	\$ 3,832,250		\$ 3,952,320		\$ 3,933,446	
PAYROLL	\$ 1,559,700	% SALES 40.7%	\$ 1,409,400	% SALES 35.7%	\$ 1,405,117	% SALES 35.7%
MEDICAL INSURANCE	\$ 411,000	10.7%	\$ 360,000	9.1%	\$ 296,149	7.5%
SOCIAL SECURITY	\$ 120,500	3.1%	\$ 101,900	2.6%	\$ 106,312	2.7%
RETIREMENT	\$ 543,800	14.2%	\$ 455,000	11.5%	\$ 462,421	11.8%
OTHER BENEFITS	\$ 71,205	1.9%	\$ 69,220	1.8%	\$ 66,495	1.7%
TOTAL COST OF LABOR	\$ 2,706,205	70.6%	\$ 2,395,520	60.6%	\$ 2,336,494	59.4%
FOOD	\$ 1,151,250	30.0%	\$ 1,024,000	25.9%	\$ 1,134,856	28.9%
MILK	\$ 182,000	4.7%	\$ 215,000	5.4%	\$ 182,090	4.6%
OTHER DIRECT EXPENSES	\$ 184,080	4.8%	\$ 168,100	4.3%	\$ 194,744	5.0%
TOTAL EXPENSE	\$ 4,223,535	110.2%	\$ 3,802,620	96.2%	\$ 3,848,184	97.8%
OPERATING P/L	\$ (391,285)	-10.2%	\$ 149,700	3.8%	\$ 85,262	2.2%
DEPRECIATION	\$ 32,000		\$ 32,400		\$ 24,162	
PROFIT/LOSS	\$ (423,285)		\$ 117,300		\$ 61,100	

*all years excludes GASB 68/OPEB adjustments

To be as conservative as possible, I assumed that the free meal program would not be sustained for the new school year and that lunch participation would decrease by about 15% from 2018-2019 levels. Breakfast participation has been growing over the years, so I choose to keep that at 18-19 levels.

To support families as we move past the pandemic, this budget assumes no lunch price increases from the 2018-2019 levels. Included with this report is a memo requesting board approval of meal prices for 2021-2022.

State and federal reimbursements are tied to the number of meals we anticipate serving, including for meals we plan to distribute this summer.

The budget assumes that catering will remain low, but contracted sales and a la carte will mostly rebound.

For expenses, we assumed a return to full staffing levels and also budgeted labor for the summer meal distributions. When we return to full staffing will depend on both operational need and on our ability to recruit and hire. Even after things "return to normal," we may have to continue to limit menu choices and to use disposable service ware until we are able to rebuild our kitchen teams.

The budget for general supplies could equally meet the costs of continuing to use disposable service wares or to purchase additional dishwasher chemicals and supplies as needed to return to permanent trays, plates, and silverware.

The budget for food assumes that USDA will not have excess commodities to share with us as they have this year.

The net cost of operating the food service program for 2021-2022 is estimated at \$423,285. I do believe this is the worst-case scenario, but felt it was best to budget this way given the uncertainty of what to expect.

In addition to the operations and financial update provided, I would like to share just a few additional program highlights from the past year.

First, the Food Service Department has received more than \$25,000 in donations since March 2020. \$21,963 was donated by parents from their students' lunch accounts when schools suddenly closed. The additional amount was received from community members, sometimes in the form of cash being handed to staff while they were distributing meals. We have used \$7,323 of the donations to repay student IOUs and are holding the remaining amount to continue to support families as needed over the next few years.

My staff and I have loved having the opportunity and ability to provide food to families and to help lessen a worry for many of them. Receiving these donations as a sign of support for our efforts has been wonderful.

Another positive note for the current school year is that we received two equipment grants from the PA Department of Education. These grants have traditionally been restricted to schools with 50% or more of their students eligible for free school meals. That qualifier was removed this year, and we are excited to be replacing the ice maker at the high school kitchen and adding a milk merchandiser at Mt. Nittany MS.

Lastly, I am pleased to share with you that I was nominated by one of my supervisors for consideration as the Pennsylvania Food Service Director of the Year and was selected for that honor by the School Nutrition Association. I truly know that I am just doing my job, and that there are many directors in Pennsylvania who are doing an equal or better job than I! But, I am so thankful that the people I work with think that I deserve this recognition. I know that it is they who really have gone above and beyond expectations.

The past year has been a challenge, but it has also been a very rewarding time. School food services has always been an important part of schools and the community. It has always been our job to be a safety net for families and to support children's education. It is difficult for a hungry child to be successful in the classroom. This year brought that all sharply into focus.

The men and women who work in our school cafeterias have been true heroes. When everything shut down last year, they continued to come in to work to prepare and hand out meals. They worked carefully to ensure their own and others' safety. They have been positive about every change that had to be made so that they could continue to take care of "their kids." A lot has been asked of them, and they never hesitated to meet the challenge. I appreciate the well-deserved recognition that my staff has received over the past year.

Thank you, again, for this chance to update you on the Food Service Department's operations. I will be happy to answer any questions you may have at the April 19 board meeting.



MEMORANDUM

TO: Board of School Directors
Robert J. O’Donnell, Superintendent

FROM: Megan Schaper, SNS
Food Service Director

RE: Food Service Pricing for 2021-22

DATE: April 7, 2021

The administration requests approval of the school meal price structure as listed below for the 2021-2022 school year. The suggested prices reflect no increase from 2019-2020 and were used in the development of the Food Service Department budget.

The reimbursement provided by state and federal subsidies for free school meals under the National School Lunch Program is currently \$3.70 for lunch and \$1.99 for breakfast.

All of our neighboring districts served meals free of charge to families through the 2020-2021 school year. None have yet established pricing for 2021-2022.

	2020 Bald Eagle	2020 Penns Valley	2020 Bellefonte	2018 SCASD	2019 SCASD	2020 SCASD	2022 SCASD Proposed
% Fr/Red	42%	32%	30%	17%	17%	16%	
Elementary Lunch	\$2.30	\$2.35	\$2.40	\$2.60	\$2.65	\$2.70	\$2.70
MS Lunch	\$2.50- \$2.75		\$2.70	\$2.85	\$2.90	\$2.95	\$2.95
HS Lunch	\$2.50- \$2.75	\$2.60	\$2.70	\$3.05/ \$3.50*	\$3.50	\$3.50	\$3.50
Adult Lunch	\$3.60	\$3.35	\$3.50	+\$.75 per USDA regulation	+\$.75 per USDA regulation	+\$.75 per USDA regulation	Increase as required by USDA regulation
Elementary Breakfast	\$1.10	\$1.15	\$1.00	\$1.35	\$1.45	\$1.45	\$1.45
Secondary Breakfast	\$1.10	\$1.25	\$1.00	\$1.85	\$1.95	\$1.95	\$1.95
Milk	\$.50	\$.50	\$.60	\$.65	\$.65	\$.65	\$.65