

# State College Area School District



# 2021-22 Budget Development

**State College  
Area School District  
March 10, 2021**

State College Area School District  
 General Fund Activity  
 3/5/2021

**Assumes 0% Tax Increase in 2021-22**

	<b>Actual 2019-2020</b>	<b>Projected 2020-2021</b>	<b>Projected 2021-2022</b>	<b>Projected 2022-2023</b>	<b>Projected 2023-2024</b>	<b>Projected 2024-2025</b>	<b>Projected 2025-2026</b>
<b>Beginning Fund Balance</b>	\$13,253,860	\$12,627,467	\$12,218,720	\$13,208,068	\$13,902,642	\$13,542,929	\$3,630,636
<b>Revenue</b>	167,918,285	163,989,029	164,015,852	167,105,527	171,480,453	176,093,924	180,877,490
Local	135,482,211	130,450,482	130,818,203	134,047,135	137,850,217	141,845,915	146,069,514
State	29,981,916	29,973,962	31,260,620	31,923,391	32,495,236	33,113,009	33,672,975
Federal	2,454,158	3,564,585	1,937,030	1,135,000	1,135,000	1,135,000	1,135,000
<b>Expense and transfers (excluding use of fund balance)</b>	158,464,023	154,271,145	166,756,840	175,528,711	180,861,939	186,402,376	192,267,771
<b>Revenue less expense</b>	9,454,262	9,717,884	(2,740,987)	(8,423,184)	(9,381,486)	(10,308,453)	(11,390,281)
<b>Funding/(Use) of Assigned Fund Balance (COVID-19)</b>	10,158,600	10,522,790	(3,334,176)	(8,721,600)	(8,625,614)	-	-
<b>(Use) of Assigned Fund Balance (PSERS/Legal Liability)</b>	0	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)
<b>Incr (Decr) in Assigned Fund Balance</b>	10,158,600	10,126,631	(3,730,335)	(9,117,759)	(9,021,773)	(396,159)	(396,159)
<b>Change in non-spendable Fund Balance</b>	77,945						
<b>Change in Unassigned General Fund Balance</b>	(626,393)	(408,747)	989,348	694,575	(359,713)	(9,912,294)	(10,994,122)
<b>Ending Unassigned Fund Balance</b>	\$12,627,467	\$12,218,720	\$13,208,068	\$13,902,642	\$13,542,929	\$3,630,636	(\$7,363,486)

State College Area School District  
 General Fund Activity  
 3/5/2021

**Assumes 1% Tax Increase in 2021-22**

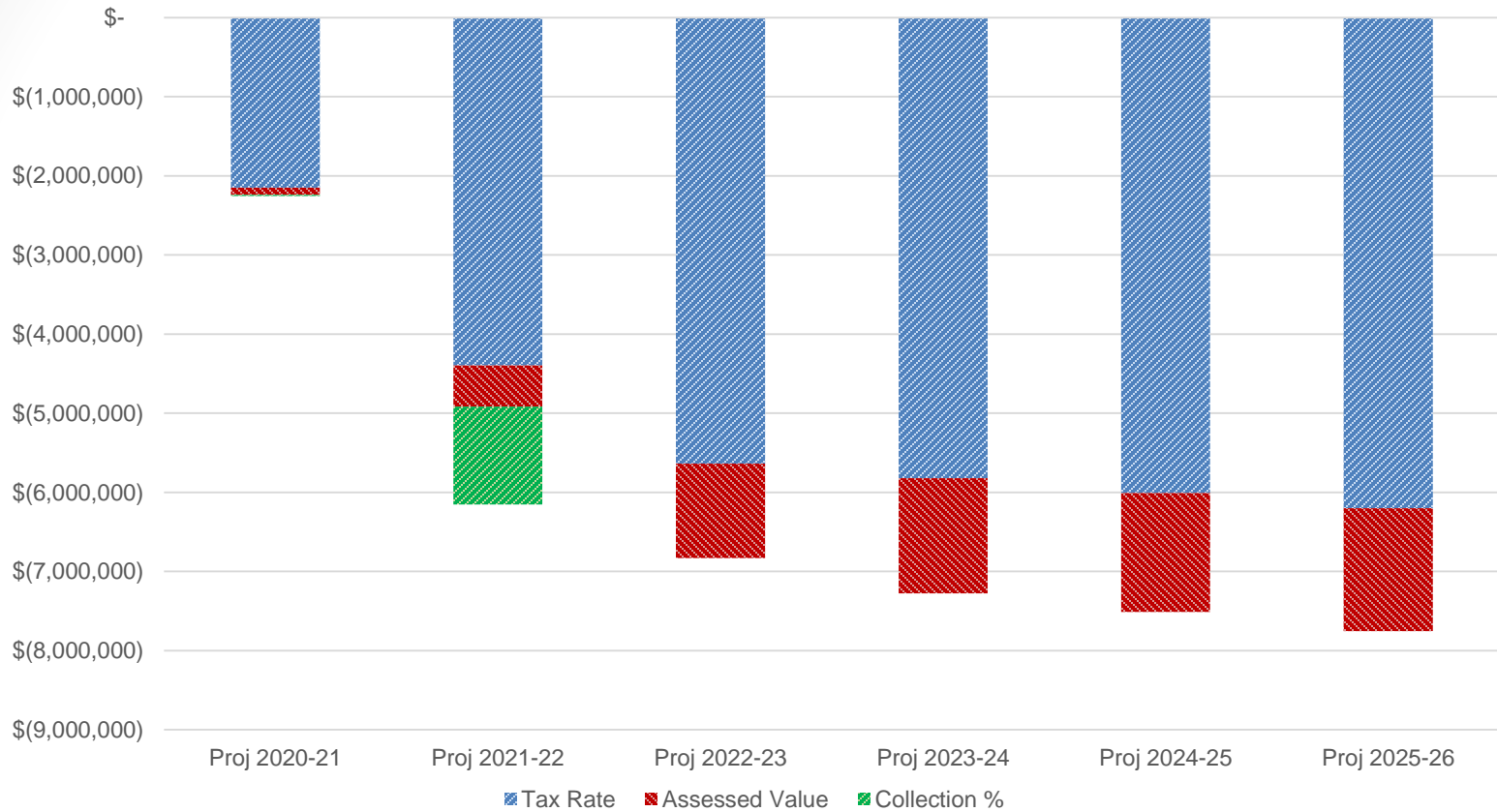
	<b>Actual 2019- 2020</b>	<b>Projected 2020-2021</b>	<b>Projected 2021-2022</b>	<b>Projected 2022-2023</b>	<b>Projected 2023-2024</b>	<b>Projected 2024-2025</b>	<b>Projected 2025-2026</b>
<b>Beginning Fund Balance</b>	\$13,253,860	\$12,627,467	\$12,218,720	\$13,208,861	\$13,904,144	\$14,324,844	\$8,106,328
<b>Revenue</b>	167,918,285	163,989,029	165,086,646	168,206,235	172,614,866	177,263,701	182,083,317
Local	135,482,211	130,450,482	131,888,996	135,147,844	138,984,630	143,015,692	147,275,341
State	29,981,916	29,973,962	31,260,620	31,923,391	32,495,236	33,113,009	33,672,975
Federal	2,454,158	3,564,585	1,937,030	1,135,000	1,135,000	1,135,000	1,135,000
<b>Expense and transfers (excluding use of fund balance)</b>	158,464,023	154,271,145	166,756,840	175,528,711	180,861,939	186,402,376	192,267,771
<b>Revenue less expense</b>	9,454,262	9,717,884	(1,670,194)	(7,322,476)	(8,247,073)	(9,138,675)	(10,184,454)
<b>Funding/(Use) of Assigned Fund Balance (COVID-19)</b>	10,158,600	10,522,790	(2,264,176)	(7,621,600)	(8,271,614)	(2,524,000)	-
<b>(Use) of Assigned Fund Balance (PSERS/Legal Liability)</b>	0	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)
<b>Incr (Decr) in Assigned Fund Balance</b>	10,158,600	10,126,631	(2,660,335)	(8,017,759)	(8,667,773)	(2,920,159)	(396,159)
<b>Change in non-spendable Fund Balance</b>	77,945						
<b>Change in Unassigned General Fund Balance</b>	(626,393)	(408,747)	990,141	695,283	420,700	(6,218,516)	(9,788,295)
<b>Ending Unassigned Fund Balance</b>	\$12,627,467	\$12,218,720	\$13,208,861	\$13,904,144	\$14,324,844	\$8,106,328	(\$1,681,967)

# Fund Balance

<b>Assumed Real Estate Tax Increase:</b>			
<b>2021-22</b>	<b>2022-23</b>	<b>Projected Unassigned Fund Balance 2025-26</b>	<b>Additional Real Estate Revenue Generated Through 2025-26 (1)</b>
0.0%	1.0%	(\$7,363,486)	
0.5%	1.0%	(\$4,522,874)	\$2,840,613
0.0%	2.0%	(\$2,799,892)	\$4,563,594
0.5%	1.5%	(\$2,227,452)	\$5,136,034
1.0%	1.0%	(\$1,681,967)	\$5,681,519
1.0%	2.0%	\$2,935,831	\$10,299,318
2.0%	2.0%	\$8,659,678	\$16,023,164

(1) Reflects increase over current budget version of 0.0% in 2021-22 and 1.0% in 2022-23.

## Change in Projected Real Estate Tax - March 2021 vs. March 2020

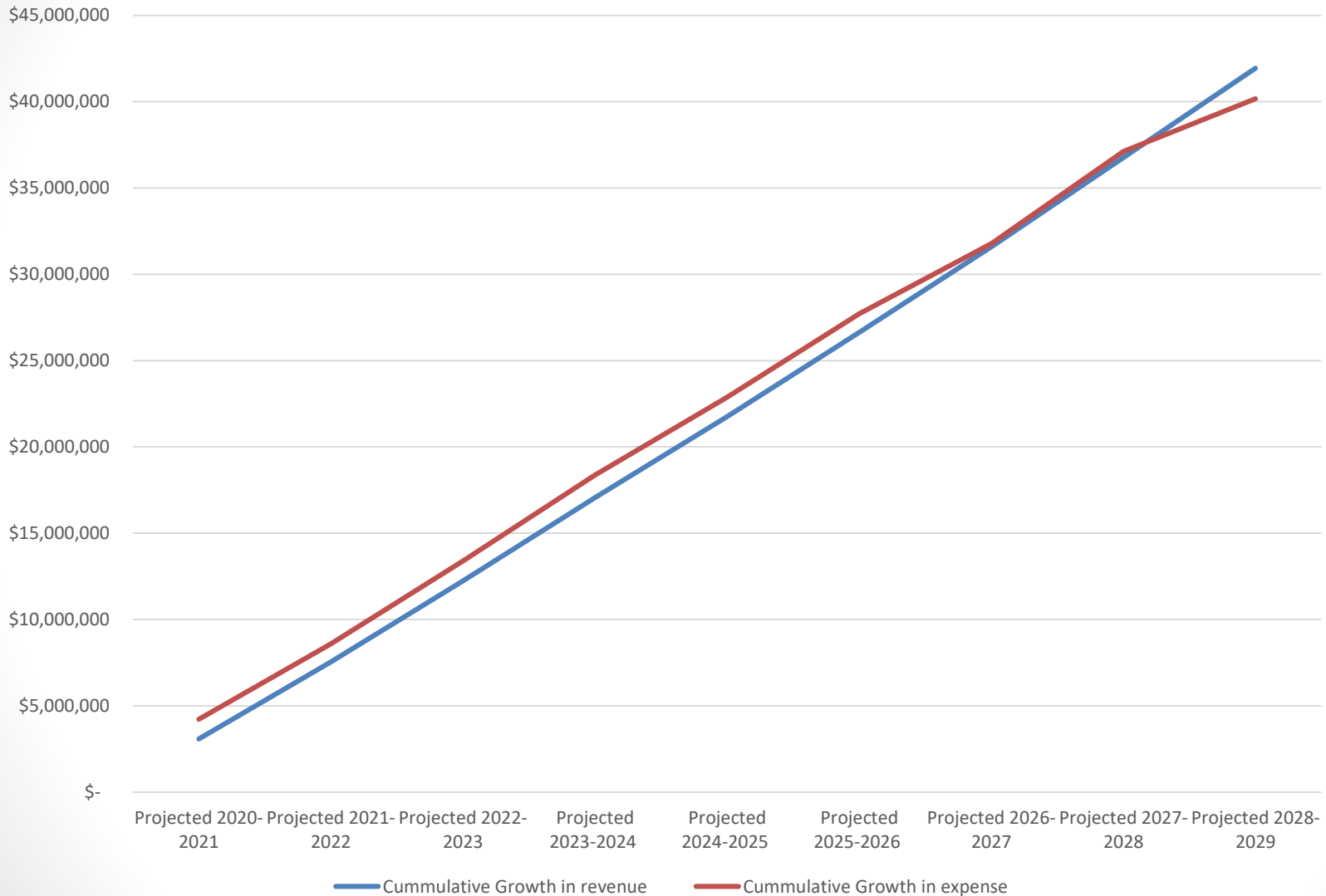


Assumed Tax Increase	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
March 2020	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
March 2021	0.0%	0.0%	1.0%	2.0%	2.0%	2.0%

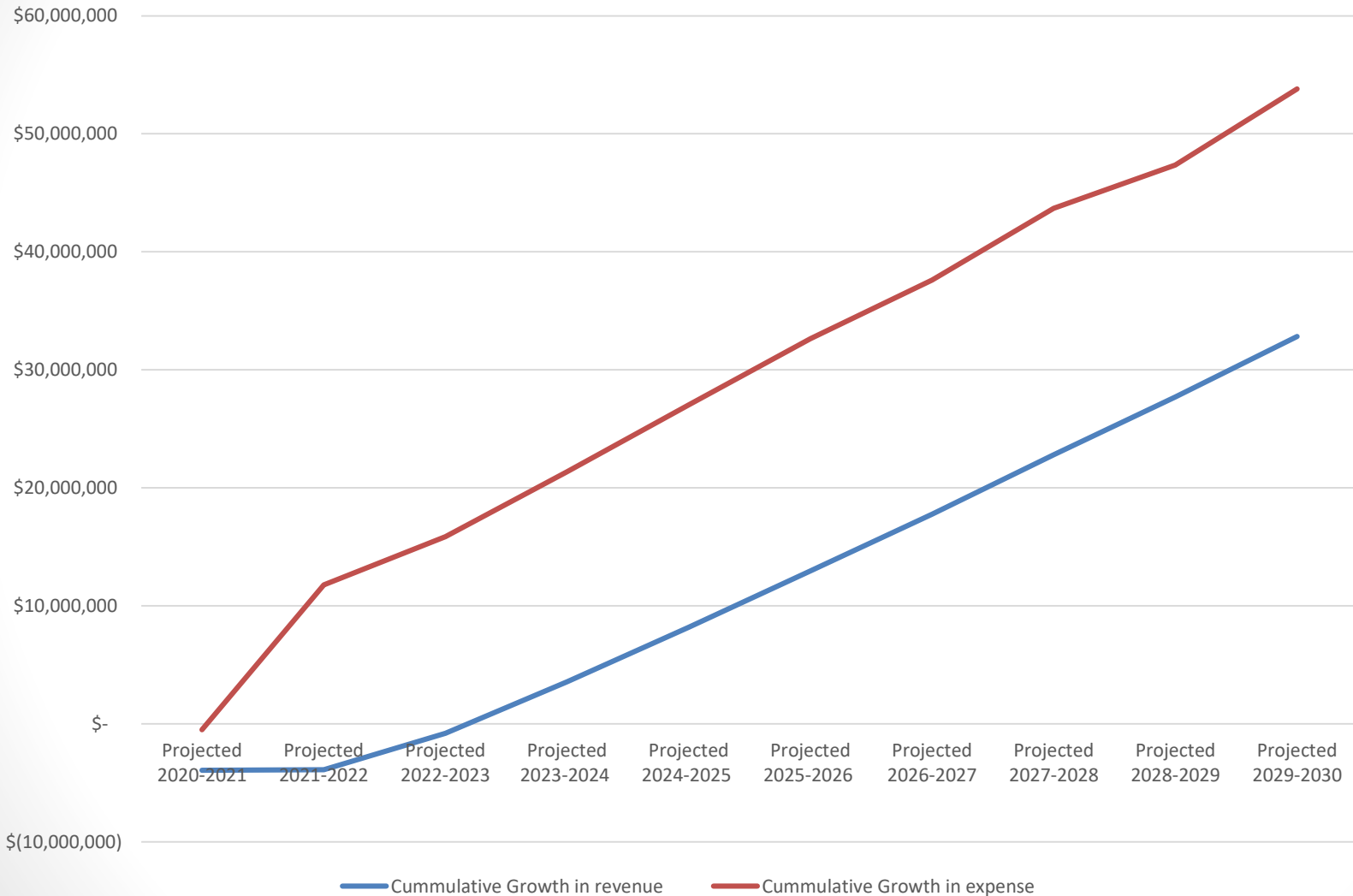
  

Assessed Value growth	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
March 2020	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
March 2021	1.1%	0.8%	0.6%	1.0%	1.2%	1.2%

## Cummulative Growth in Revenue and Expense (excl Fund Bal Transfers and Transfer to Capital Reserve) - June 2019 (pre-COVID)

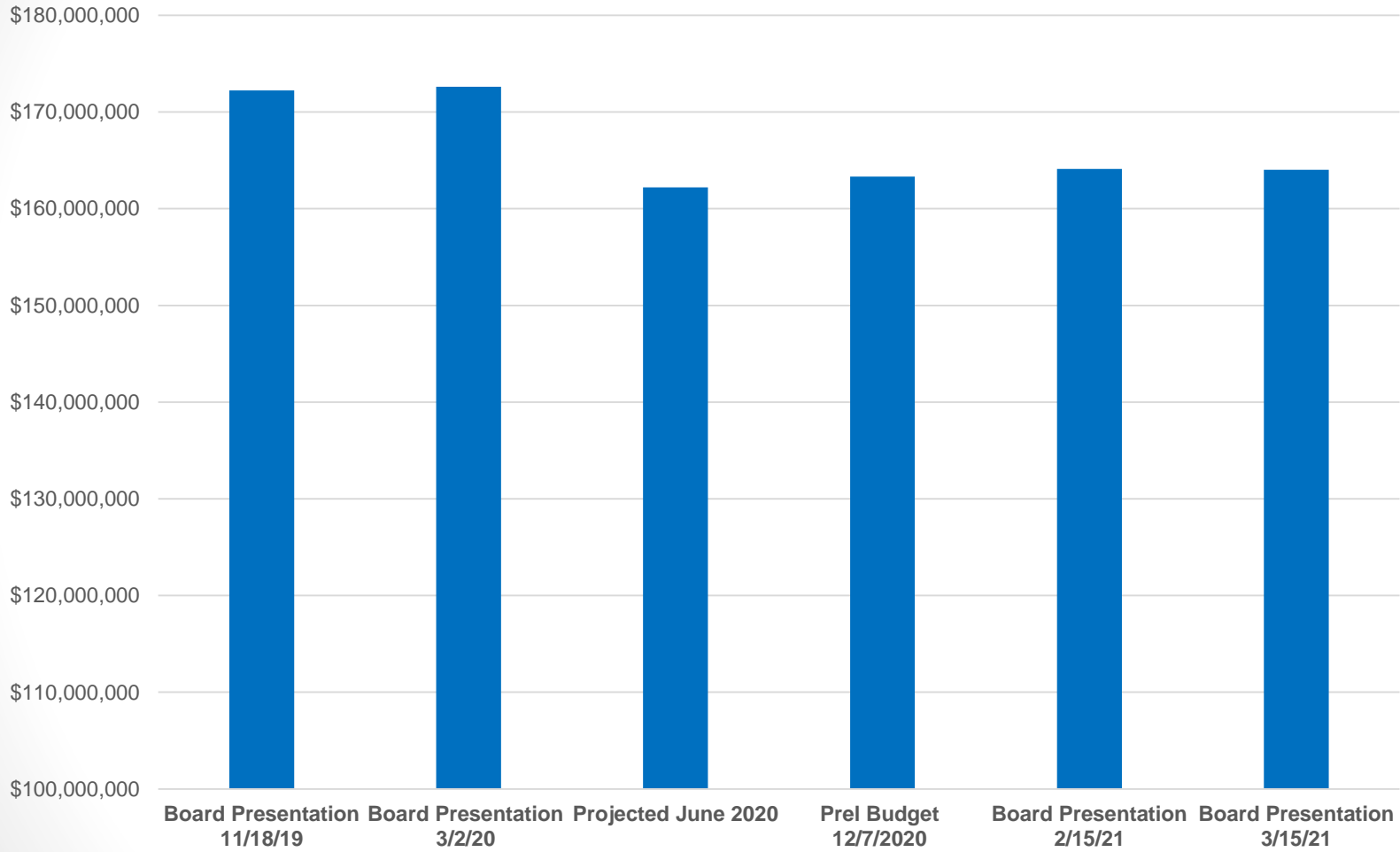


### Cummulative Growth in Revenue and Expense (excl Fund Balance Transfers and Transfer to Capital Reserve) - March 2021





## Total Revenue 2021-22



# 2021-2022 Expense Preliminary Budget

- Preliminary budget included the following:
  - Reflected estimated impact of contractual agreements and assumed rate changes
  - Assumed pre-COVID staffing levels
  - Included .5 social worker funded by a grant in 2020-21
  - Assumed continuation of new Virtual Academy in Elementary and Secondary
  - Pre-COVID level of expense such as travel and field trips
  - Assumed full CEEL and summer programs
  - Assumed bus and other routine equipment replacement
  - Capital reserve transfer- assumed receipt of Plancon reimbursement for debt funded from capital reserve fund, but no other transfer.
    - Anticipate receipt of additional Plancon funds based on recently completed projects. Propose transfer to capital reserve.

# 2021-2022 Expense

Updated Expense Budget (excl use of Fund Bal)	\$166,756,840
Preliminary Budget	\$167,890,151
Decrease	\$ 1,133,311

## Expense Changes:

- Increases:
  - .5 psychologist, reducing outside services with a net savings of approximate \$10,000
  - 1.0 custodian for Memorial Field and float coverage
  - IU – 2020-21 expense is anticipated to continue in 2021-22.
- Decreases
  - Salary and related benefit savings from the impact of additional retirements/resignations
  - Elimination of payment to PSU for 1.5 PDS positions
  - Reduced health insurance primarily based on updated Conrad Seigel estimates
  - Community Ed/CEEL – decreased expense related to assumed reduced programming operations.
  - Reduced department expenses related to printing, training and travel.
- Budget heads provided input related to potential further savings
  - Still being evaluated

## COVID Related Expenses Funded With Stimulus

<i>Cleaning/Sanitizing Supplies</i>	119,464
<i>COVID Testing</i>	258,168
<i>Facility Modifications</i>	235,288
<i>Furniture, Fixtures, Equipment</i>	280,828
<i>Personal Protective Equipment</i>	403,866
<i>Salaries &amp; Benefits</i>	116,563
<i>Student Supplies</i>	194,961
<i>Technology</i>	2,258,236
<b>Grand Total</b>	<b>3,867,373</b>

# Next Steps

- Finance and Audit Committee – April 14, 2021
- Board Meeting – April 19, 2021

# Questions

# State College Area School District

