



STATE COLLEGE AREA SCHOOL DISTRICT
Office of Finance and Operations
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To: Robert O'Donnell
From: Randy Brown and Donna Watson
Subject: 2021-2022 Budget Development
Date: October 15, 2020

This discussion will continue the budget development process for fiscal year 2021-2022, which was started at Finance Committee on Oct. 14. During the budget development process, the Board and finance committee will receive projections and analysis related to the current year finances as well as the next year's proposed budget. The budget development process prepares the board to complete the required action steps:

- Preliminary General Fund Budget or Resolution not to Exceed Index
- Proposed Final General Fund Budget
- Final General Fund Budget

The budget development process is defined in Act 1 of 2006, which also defined an index by which the district is authorized to increase the real estate tax rate. The Act 1 Index for the 2021-2022 fiscal year is 3.0%. The timeline for events related to the 2021-2022 budget process is included in Attachment A.

The administration will also discuss specific areas of analysis for the upcoming budget. Due to the current situation, this year's process will include a focus on the current year's finances especially impacted by the pandemic situation.

The recent discussion at finance committee regarding the Resolution not to Exceed the Index and the timeline of the budget process. If the resolution is adopted by the Board, the administration agrees to provide the preliminary budget in a similar timeframe as required by the preliminary budget process under Act 1 in order to allow for Board and community review and input.

Attachment A

State College Area School District

2021-22 Budget Development – October 19, 2020

Key dates in the budget process based on PDE published filing requirements.

December 31

- District deadline to notify residential property owners not currently approved or whose approval is due to expire that the owner must submit a completed application to county assessment office to qualify for homestead exclusion. Deadline for submitting application is March 1.

January 4 – Board Action Required

- Adopt Resolution Authorizing Proposed Preliminary Budget Display and Advertising or adopt opt out resolution state district will not raise the rate of any tax by more than index)
- *Administration Recommends adopt opt out resolution - preliminary budget process eliminated - deadline January 28.*

January 18 - Board Action Required

- *Adopt resolution authorizing proposed preliminary budget or opt out resolution.*

January 28

- District deadline to make 2021-2022 Proposed Preliminary Budget on form PDE-2028 available for public inspection or adopt opt out resolution.

February 2

- Deadline to submit to PDE copy of opt out resolution and related proposed tax rate increases.

February 5

- Publish notice of intent to adopt 2021-2022 Preliminary Budget.
- Publish and post on district website notice of intent to apply to PDE for referendum exceptions.

February 15 – Board Action Required

- Approve Preliminary Budget (N/A if opt out)
- Presentation of referendum exception calculation for board discussion.

February 20

- Submit to PDE Preliminary Budget and related proposed tax rate increases (PDE-2028, including Real Estate Tax Rate Report. (85 days prior to primary election) (N/A if opt out)

March 1

- PDE deadline to file referendum exception request (75 days prior to primary election)

March 1

- Deadline for residential property owners to submit homestead application to county assessment office.

March 24

- PDE to rule on school district request for referendum exception (55 days prior to primary election)

April 19

- Presentation of district proposed final budget for 2021-2022

May 3 – Board Action Required

- Approval of district Proposed Final Budget for 2021-2022 for board. (Resolution and advertising - 30 days prior to final budget adoption; PDE Deadline May 31)
- School Board President to sign and send to PDE Certification of Use of PDE-2028

May 18

- Primary Election Day

May 18

- 20 days prior to final budget adoption - Proposed Final Budget on Form PDE-2028 available for public inspection

May 28

- Publish notice of intent to adopt Final Budget (10 days prior to final budget adoption)

May 24

- Public hearing for district final budget for 2021-2022

June 7 – Board Action Required

- Adopt Final Budget on Form PDE-2028 (resolution)
- Homestead and Farmstead Exclusion Resolution
- Annual Tax Levy Resolution
- Installment Payment Plan Resolution