

State College Area School District



2023-2024
Budget Hearing

**State College Area
School District
May 15, 2023**

General Fund Budget

- Contains expenses related to general operations of district
- Supports other funds
 - Debt service
 - Capital reserve
 - Food Service
- General Fund Budget approval required by June 30th

Budget Approval Steps

- January 23, 2023– Accelerated Opt Out Resolution certifying the tax rate within the Act 1 inflation index of 4.1%
- May 1, 2023- Proposed Final Budget with a 4.1% increase in the real estate tax rate
- June 5, 2023 - Final budget to be presented for adoption

Act 1 of 2006

Homestead/Farmstead:

- Provides for tax relief for approved Homesteads/Farmsteads
- Amount varies based upon eligible properties and gambling revenue
- Application process to be approved through the County Assessment Office
- Taxpayer must live in the home for property to qualify for exemption
- District will receive approximately \$1.8 million of gambling funds for property tax relief in 2023-24
- Approximately \$138/homestead of property tax relief

Act 1 of 2006

- Limits school district tax increases to an inflationary index (Act 1 Index)
- Act 1 Index is 4.1% for 2023-24
- 4.1% real estate tax increase in 2023-24
- Exceptions also available for Special Education to tax above the index. The district qualified for this exception, but did not apply.
- No exceptions requested for 2023-24.

Referendum Debt

- In May 2014, District voters approved the incurrence of \$85 million to fund a portion of the State High Project.
- In March 2015, the District issued the referendum-related bonds.
- This debt is to be funded through a Referendum Exception.
- Referendum Exceptions were approved for both the 2015-16 and 2016-17 tax years.
 - Debt service payments began in 2015-16 with payment of the first interest payment.
- Debt service under the existing referendum bond issue will be level for the remainder of the financing period.
- The 2023-24 millage rate includes an amount to generate the tax revenue needed to fund the referendum debt service payment.

Budget 2023-24

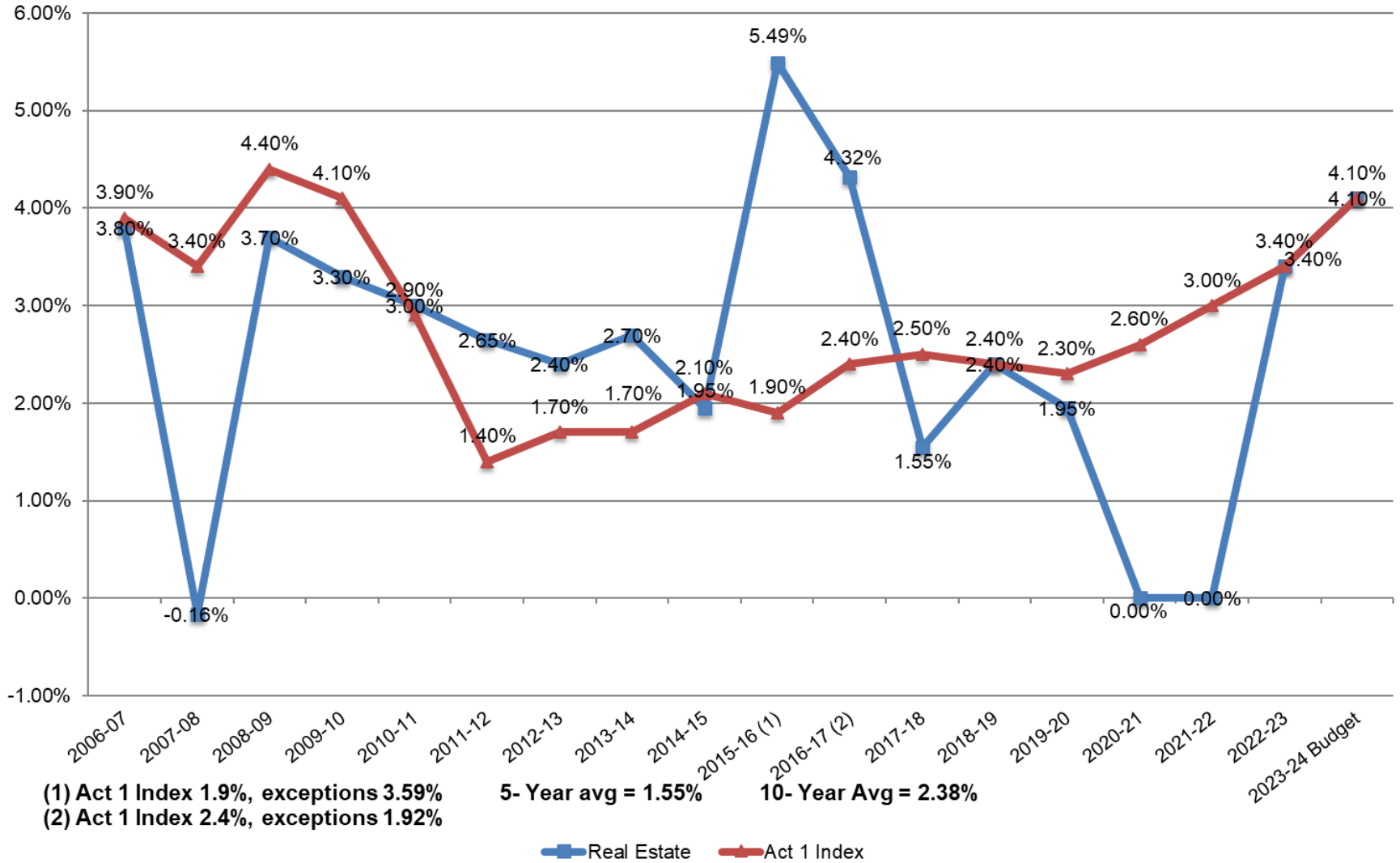
Beginning Fund Balance	\$14,410,285
Revenue	188,350,588
Local	151,702,166
State	35,234,564
Federal	1,413,858
Expense	187,132,736
Revenue less expense	<u>1,217,851</u>
Funding (Use) of Committed Fund Bal (Debt Service)	-
Funding (Use) of Committed Fund Bal (Health Insurance)	799,997
Change in Committed Fund Balance	<u>799,997</u>
Change in Unassigned General Fund Balance	417,854
Ending Unassigned Fund Balance	<u><u>\$14,828,139</u></u>
Unassigned Fund Balance Percentage	7.9%

Proposed Tax Increase

- Millage 2022-23 47.6544
- Proposed increase in real estate tax rate 4.10% (1)
- Proposed 2023-24 millage 49.6082

(1) Act 1 Index

Real Estate Tax Increase vs. Act 1 Index



Impact of Real Estate Tax Increase

Property Type	2022-23 Tax	Count of Parcels	Average Tax	Impact of Tax Increase
Residential	\$ 69,331,985	20,215	\$3,430	\$141
Commercial and Industrial	\$ 42,462,603	1,576	\$26,943	\$1,105
Agricultural	\$ 2,856,643	569	\$5,020	\$206
All Taxable Properties (1)	\$ 116,603,146	24,445	\$4,770	\$196

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

*Excludes the impact of any change in the homestead/farmstead exclusion

Supplemental Property Tax Rebate Program

- The proposed budget includes continuation of a supplemental property tax rebate program for the 2023-24 tax year.
- \$100,000 has been set aside in the 2023-24 budget for this program.
- The maximum rebate per household is \$650.
- Applications will be processed on a first-come basis until funds are expended.
- Eligible rebates will be issued by check.
- This will be the ninth year of this supplemental tax rebate program.

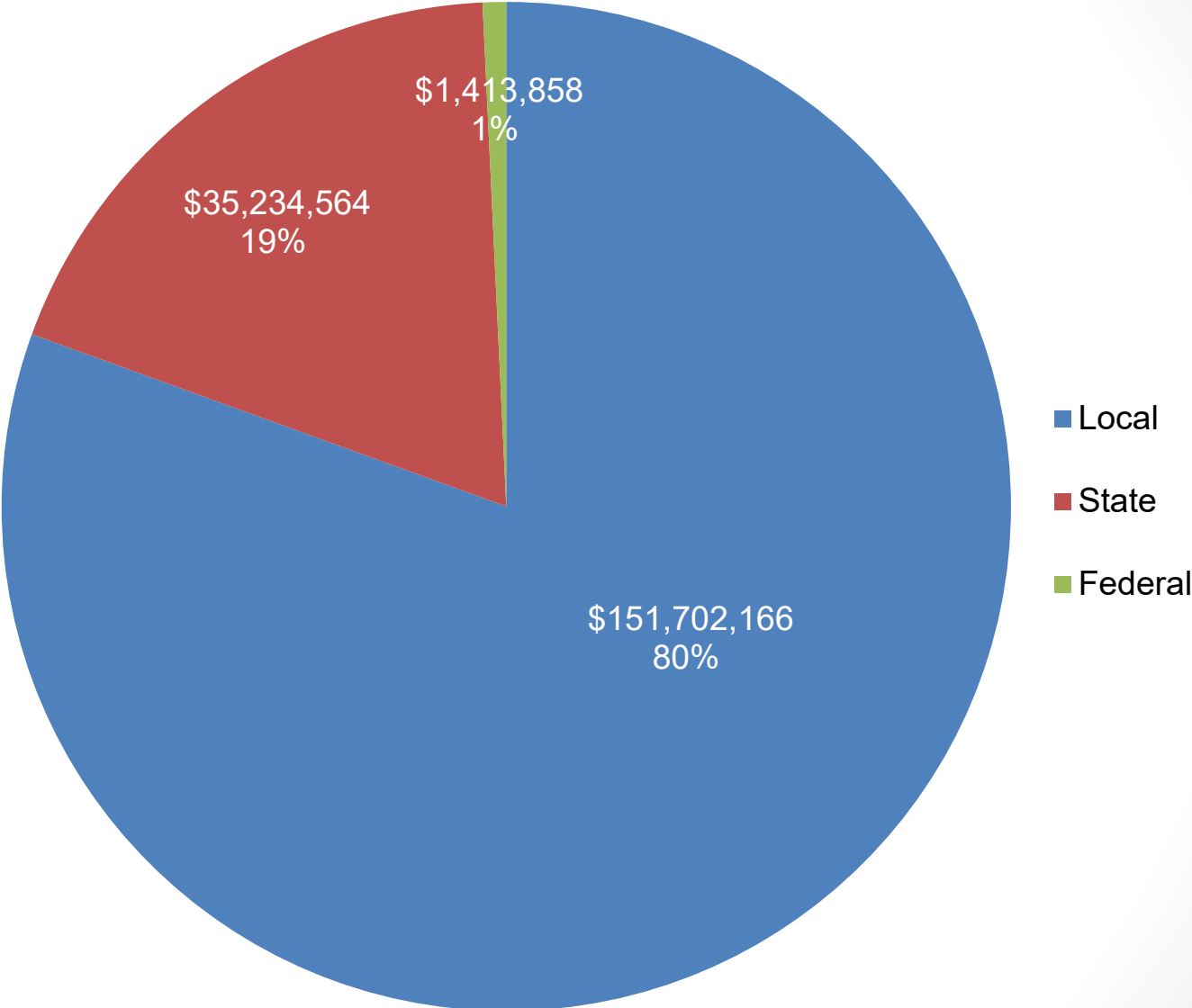
Supplemental Property Tax Rebate Program Applications

- The district is watching for changes in the State's rebate program that will impact payments in the 2023-24 year. Any change could lead to recommended changes in the district's program and may impact the mailing date of the district's application.
- Applications may be submitted beginning July 1, 2023
- A copy of a completed PA-1000 for 2022 and evidence of receipt of the Pennsylvania Property Tax rebate (received after July 1, 2023) must be attached.
- Additional information will be available on the District web site at www.scasd.org/page/26890.
- Information will also be mailed with the 2023-24 real estate tax bill mailing which is planned for July 1, 2023.

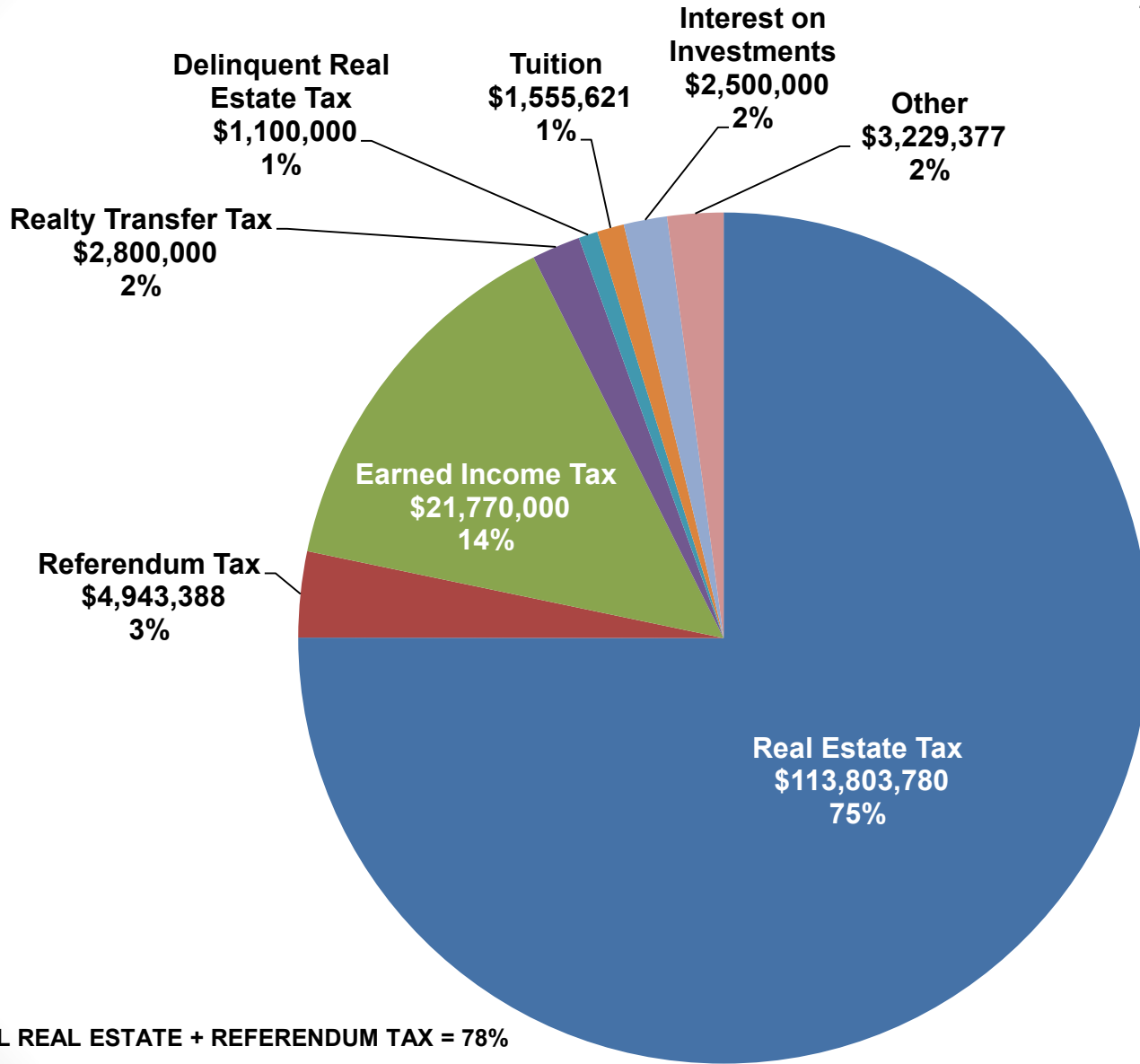
Revenue

- Local
 - District primarily locally funded
 - Budgeted revenue is \$11,090,876 greater than 2022-23 budget.
 - Real estate— proposed increase of 4.1% in real estate tax rate and increase in assessed value - \$6,400,000
 - Earned income tax- \$2,160,000
 - Interest on Investments- \$2,300,000
- State
 - Budgeted revenue is \$1,732,294 higher than 2022-23 budget
 - Basic Education Subsidy increased approximately \$1,561,000
 - Other state revenue increased \$105,000 related to mental health funds
 - Special Education Subsidy increased approximately \$75,000
- Federal
 - Decreased \$1,510,135 primarily related to ESSER grant funds

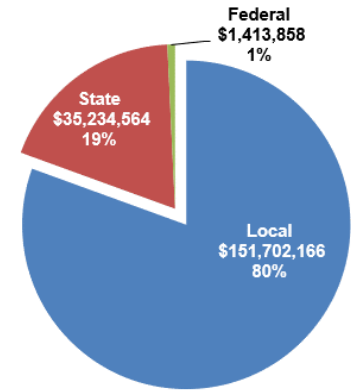
2023-24 Revenue by Source



2023-24 Local Revenue

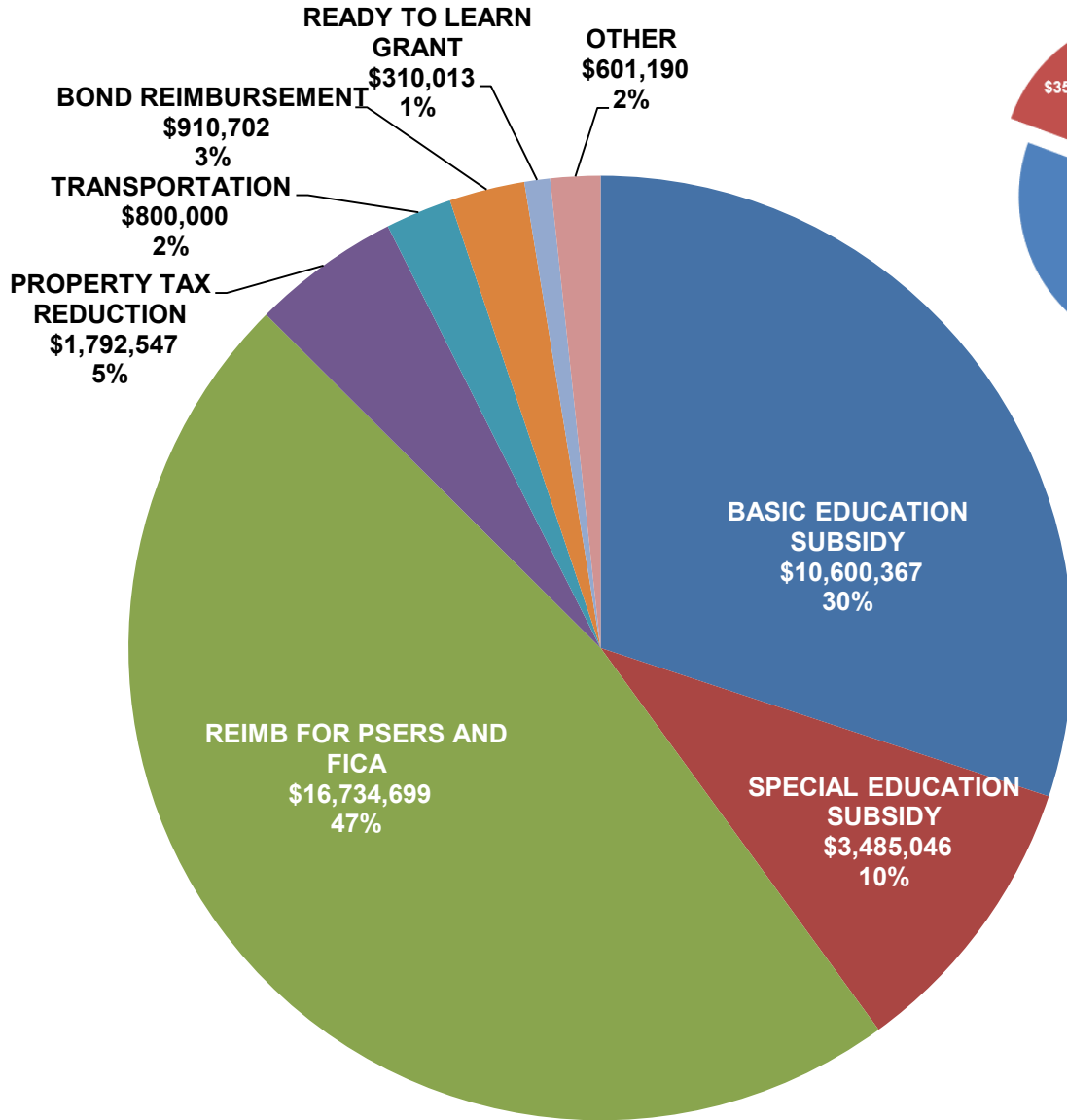


2023-24 Revenue by Source

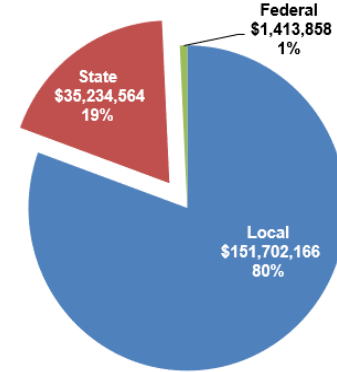


TOTAL REAL ESTATE + REFERENDUM TAX = 78%

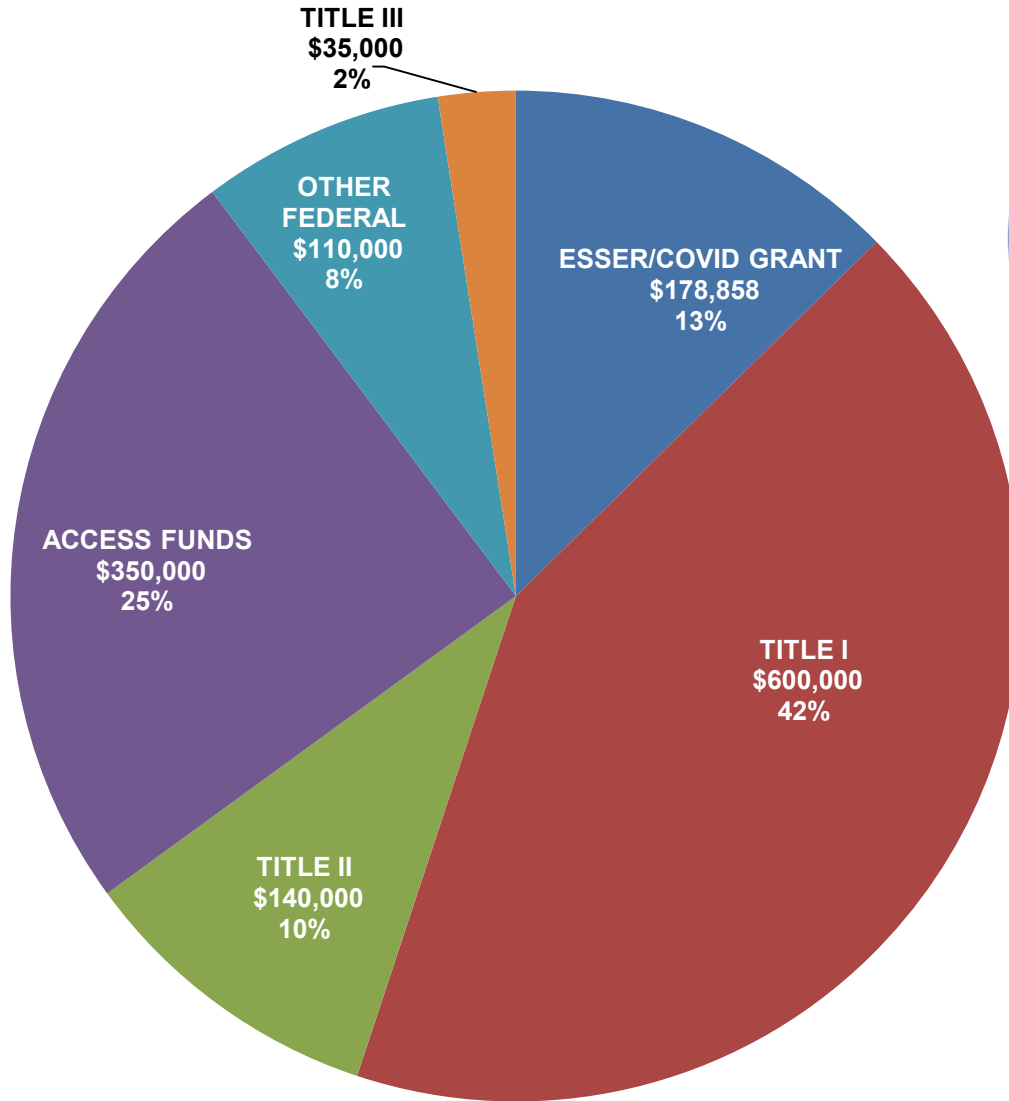
2023-24 STATE REVENUE



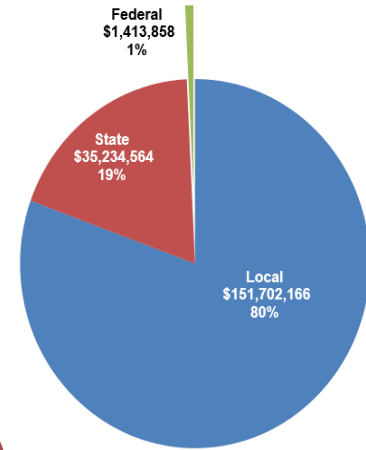
2023-24 Revenue by Source



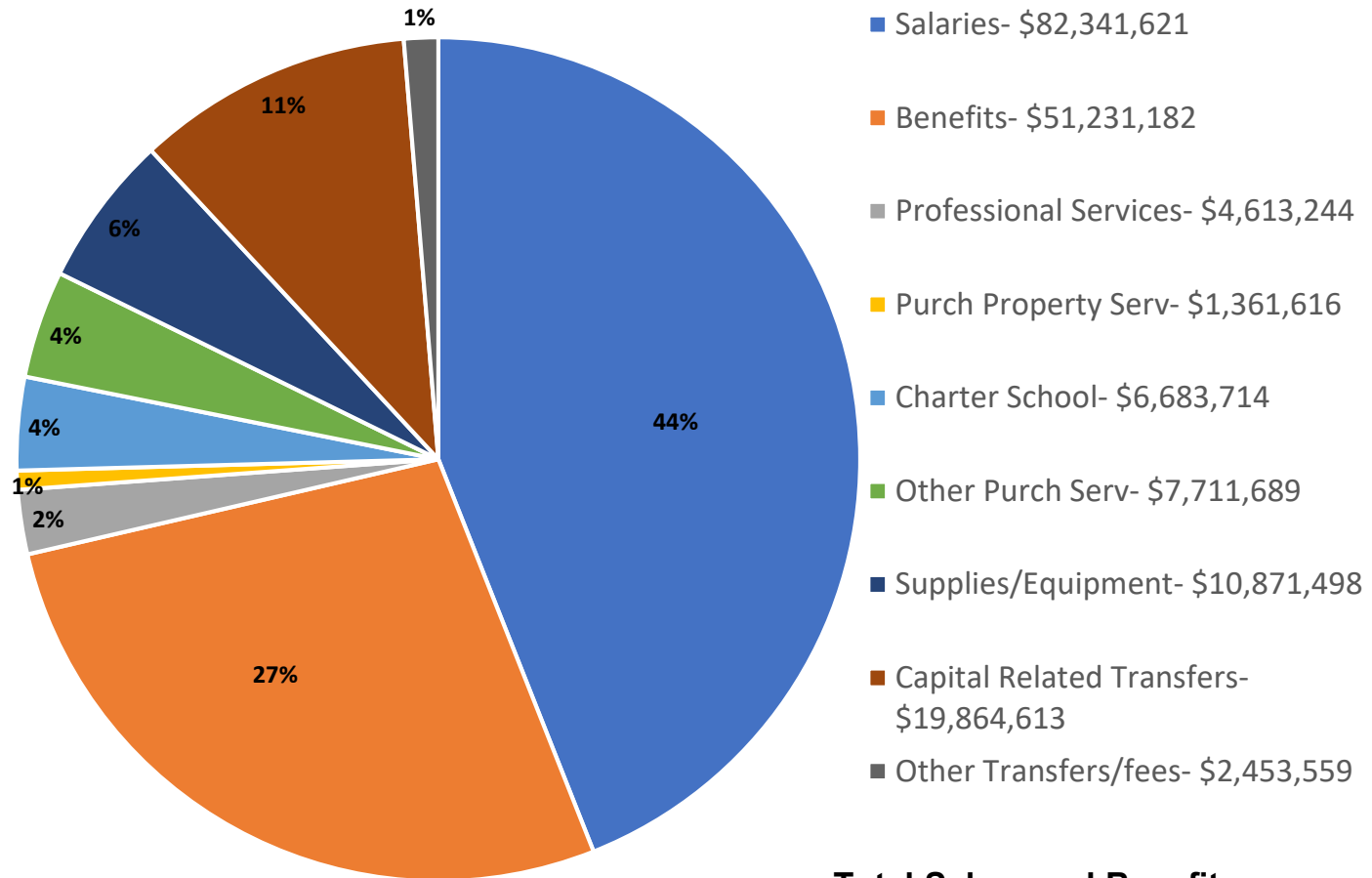
2023-24 FEDERAL REVENUE



2023-24 Revenue by Source

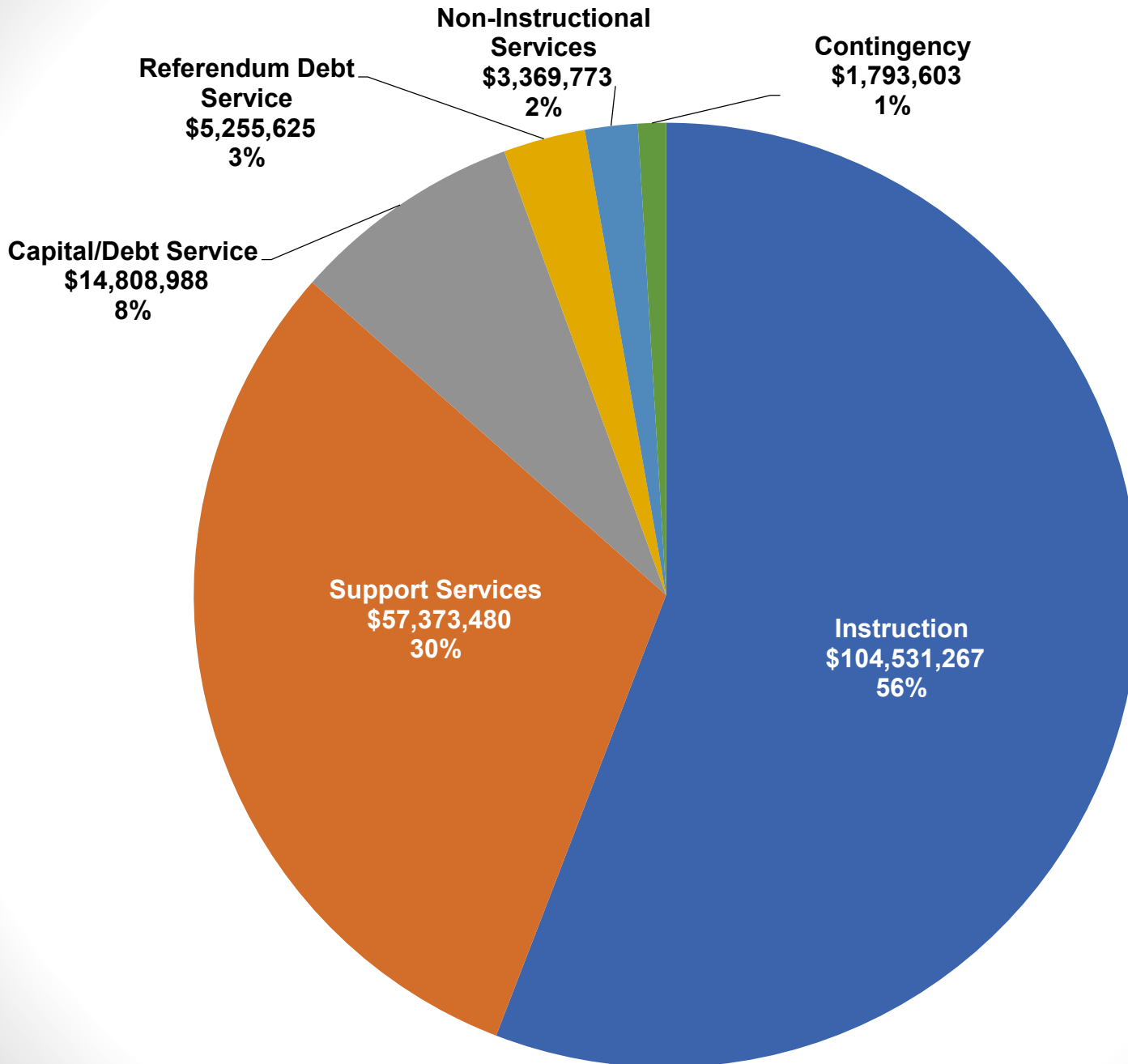


Expense by Object



**Total Salary and Benefits represent
71% of budgeted expense**

2023-24 Budgeted Expense By Function



Expense by Function and Object

State College Area School District 2023-24 Proposed Final 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	2023-24 % of Total Budget	2022-23 % of Total Budget
Instructional											
Regular Instructional											
1 Regular Programs	\$41,334,721	\$24,334,158	\$58,203	\$33,819	\$4,668,146	\$460,124	\$795,752	\$40,353	\$71,725,277		
2 Federally Funded Regual Prog	449,958	156,792	1,000	-	-	-	39,000	-	646,750		
3 Total Regular Instructional	41,784,679	24,490,951	59,203	33,819	4,668,146	460,124	834,752	40,353	72,372,027	39%	40%
4 Other Instructional											
5 Vocational Educ	2,323,359	1,407,499	20,800	3,050	-	94,910	279,131	18,275	4,147,024		
6 Other Programs	1,696,084	962,863	185,837	2,000	-	79,959	140,705	36,806	3,104,254		
7 Total Other Instructional	4,019,443	2,370,362	206,637	5,050	-	174,869	419,837	55,081	7,251,279	4%	4%
8											
9 Special Programs - Elem/Sec											
10 Life Skills Support- Public	210,492	117,935	-	-	-	-	8,800	-	337,228		
11 Deaf or Hearing Impaired Support	151,984	80,388	-	-	-	1,350	200	-	233,922		
12 Blind or Visually Impaired Support	127,070	115,780	100,000	-	-	1,720	4,000	-	348,569		
13 Speech and Language Support	802,542	498,001	-	-	-	4,223	17,600	325	1,322,691		
14 Emotional Support-Public	498,665	261,839	-	-	-	797,704	900	-	1,559,109		
15 Autistic Support	2,529,107	1,994,573	-	-	-	685,056	13,150	-	5,221,887		
16 Learning Support- Public	5,665,793	4,279,894	3,000	36,680	-	77,212	116,508	3,600	10,182,687		
17 Gifted Support	1,265,143	697,699	2,000	-	-	1,900	14,400	5,800	1,986,942		
18 Multi-Handicapped Support	363,396	348,031	-	-	-	-	300	-	711,727		
19 Special Programs- Other Support	439,292	227,538	1,600	200	2,015,568	249,000	70,000	-	3,003,199		
20 Total Special Programs	12,053,486	8,621,679	106,600	36,880	2,015,568	1,818,165	245,858	9,725	24,907,962	13%	14%
21											
22 Support Services											
23 Support Services - Students	4,048,526	2,595,260	197,100	450	-	77,165	67,270	3,600	6,989,370		
24 Support Services - Instr Staff	3,085,053	2,157,303	136,200	-	-	127,080	1,372,679	24,500	6,902,815		
25 Support Services - Admin	5,400,008	3,254,381	806,367	14,250	-	54,411	178,914	163,385	9,871,717		
26 Support Services - Pupil Health	1,225,163	812,075	650,376	1,600	-	100	24,830	-	2,714,144		
27 Support Services - Business	917,630	528,683	161,003	-	-	44,164	68,100	41,390	1,760,970		
28 Oper of Main of Plant Serv	4,501,419	3,040,958	1,151,849	1,118,000	-	505,933	3,255,500	10,500	13,584,159		
29 Student Transportation Serv	1,551,926	1,231,646	8,429	55,027	-	3,895,312	508,430	840	7,251,610		
30 Support Services - Central	2,254,446	1,420,110	382,705	64,300	-	483,505	3,640,300	53,328	8,298,694		
31 Total Support Services	22,984,172	15,040,415	3,494,030	1,253,627	-	5,187,670	9,116,024	297,543	57,373,480	31%	30%
32											
33 Non-instructional (i.e Student Activities/Athletics/Comm ed)	1,499,841	707,776	746,774	32,240	-	70,861	255,027	57,254	3,369,773	2%	2%
34											
35 Other Expenditures & Financing Uses											
36 Other	-	-	-	-	-	-	-	200,000	200,000		
37 Debt Service Transfer	-	-	-	-	-	-	-	12,218,800	12,218,800		
38 Debt Service- Referendum	-	-	-	-	-	-	-	5,255,625	5,255,625		
39 Deferred Maintenance Transfer	-	-	-	-	-	-	-	2,390,188	2,390,188		
40 Food Service Transfer	-	-	-	-	-	-	-	-	-		
41 Capital Reserve Transfer	-	-	-	-	-	-	-	-	-		
42 Budgetary Reserve	-	-	-	-	-	-	-	1,793,603	1,793,603		
43 Total Other Exp & Financing Uses	-	-	-	-	-	-	-	21,858,216	21,858,216	12%	10%
44											
45 Total 2022-23 Budget	82,341,621	\$51,231,182	\$4,613,244	\$1,361,616	\$6,683,714	\$7,711,689	\$10,871,497	\$22,318,172	\$187,132,735	100%	100%
46											
47 2023-24 % of Total Budget	44%	27%	2%	1%	4%	4%	6%	12%	100%		
48 2022-23 % of Total Budget	44%	30%	2%	1%	4%	4%	5%	10%	100%		

Expense

2023-24 Budget	\$187,132,736
2022-23 Budget	<u>\$180,273,275</u>
Increase	\$ 6,859,461
% Increase	3.8%

District Funded Positions

- Positions included in the budget that were grant funded in prior years:
 - Two Mental Health Clinicians
 - Multicultural Student Success Initiative
 - Bilingual Family Liaison (partial grant funding in 2023-24)
- Total district funded expense in 2023-24 budget \$398,790

Budgeted Additions

- Non-recurring
 - New reading curriculum
 - Maintenance services for physical plant
- Recurring
 - Human resources system
 - Girl's wrestling program
 - Investment in cyber security to comply with new risk management requirements
 - Impact of inflation on product and services

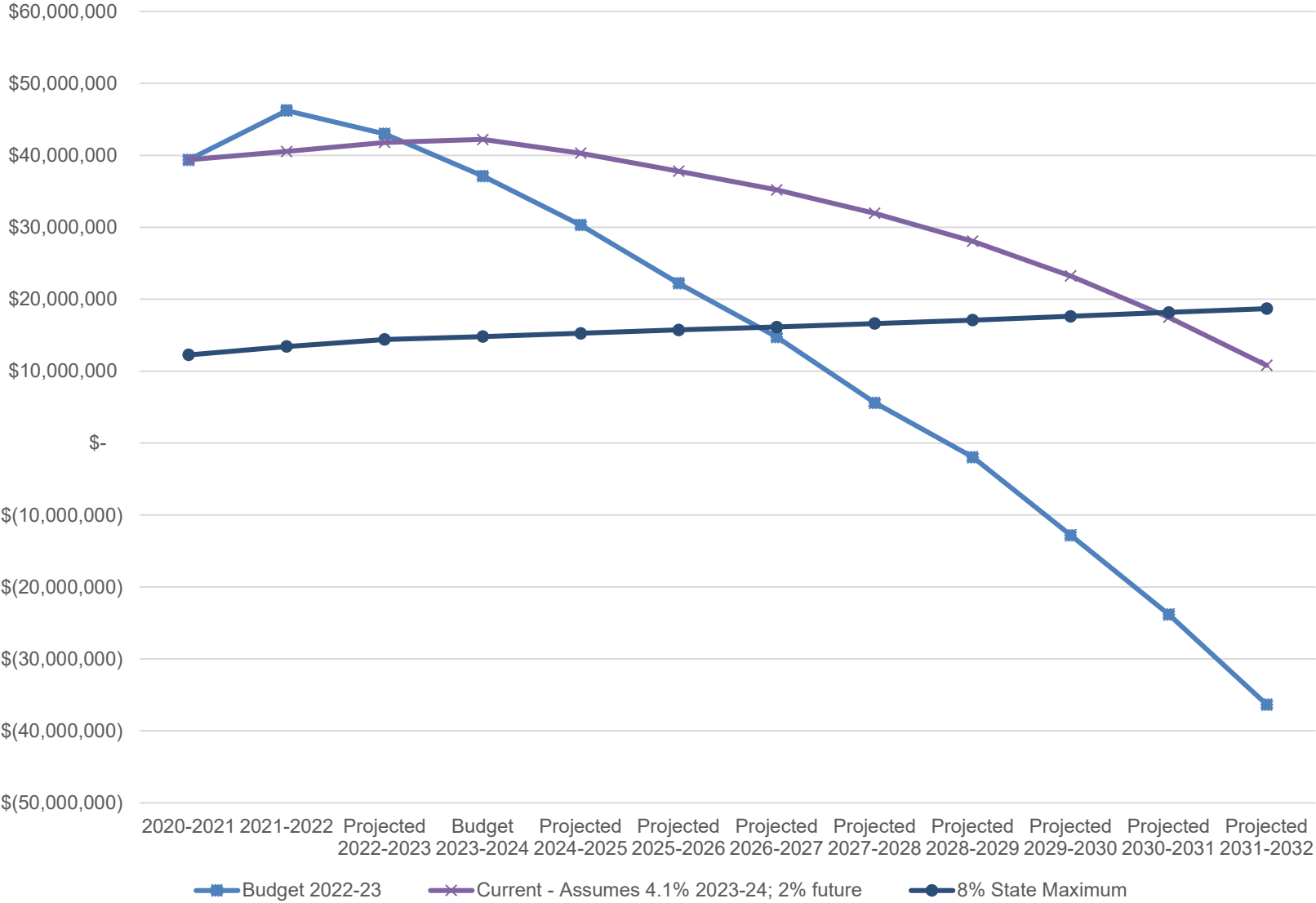
PSERS

- Required contribution to the state retirement plan (PSERS) decreased approximately \$224,000 in the 2023-24 budget.
- Percentage of salary contribution rate will decrease from 35.26% for 2022-23 to 34.00% for 2023-24.
- Rates will increase from 34.00% to 38.35% in 2030-31 based in the most recent (December 2022) PSERS projection.

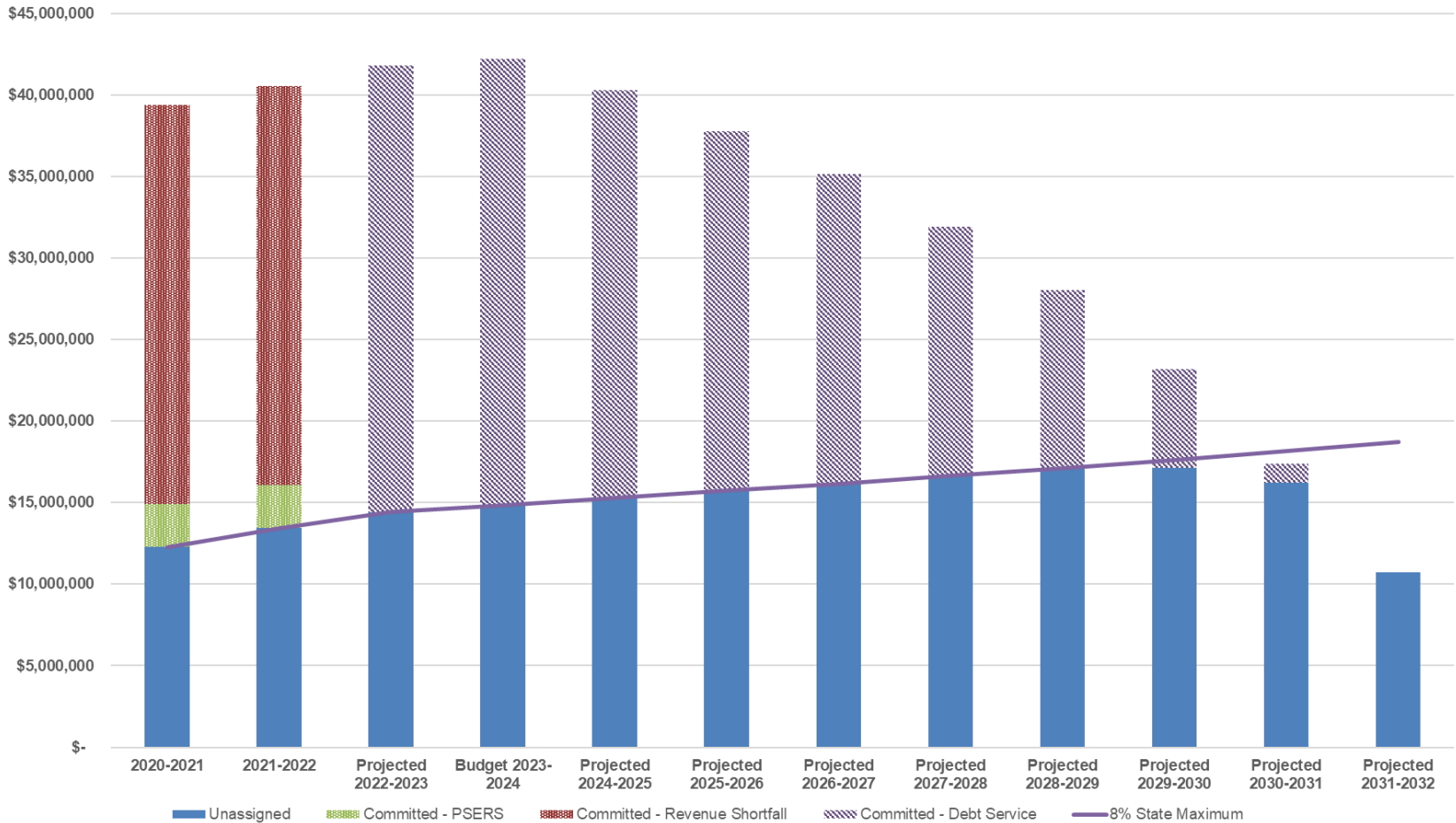
Fund Balance

- Budget includes:
 - Commitment of \$799,997 to maintain reserve for health insurance at the recommended level to fund future years expense in excess of budget
 - This budget does not include a transfer to the Capital Reserve Fund
 - Projected unassigned General Fund Balance of \$14,828,139
 - Brings unassigned General Fund percentage of operating expense to 7.9%
 - Within allowed limit of less than or equal to 8%

General Fund - Unassigned and Committed Fund Balance (Excluding Health)



General Fund - Unassigned and Committed Fund Balance (Excluding Health)
 Assumes 4.1% tax increase in 2023-24; 2% thereafter



State Budget

- Proposed changes could impact revenue and expense
- State budget is required to be passed by June 30 each year
- District must pass budget by June 30
- Potential reopening district budget after state budget is passed

Comments

- Comments are welcome at this time
- For more information on the budget process including all handouts that are related to the budget go to

<https://www.scasd.org/Page/40427>

State College Area School District

