



**STATE COLLEGE AREA SCHOOL DISTRICT  
ADMINISTRATIVE OFFICES**

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**STATE COLLEGE AREA SCHOOL DISTRICT  
2023-24 BUDGET SUMMARY**

Budget Hearing Date: May 15, 2023, 7:00 p.m.

Budget Adoption Date: June 5, 2023, 7:00 p.m.

Location: Panorama Village Building Board Room – Meeting Room A

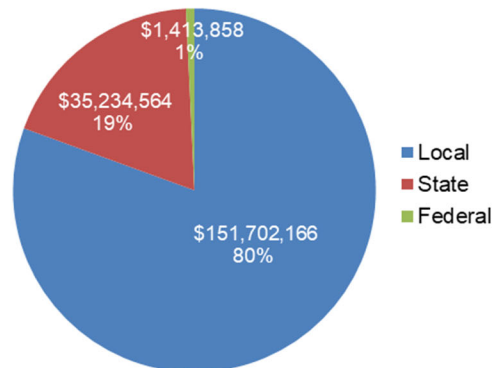
Education is an investment in the future that requires a partnership between schools and the entire community. The State College Area School District is committed to wise use of resources and delivery of quality educational programs.

The Board of School Directors allocates revenue and expenditures to support the educational programs as defined by the district's mission and goals articulated through the strategic plan, as well as financial and operating policies. The board must balance the educational needs of students with the ability and willingness of the community to provide the necessary financial support.

**Revenue Budget**

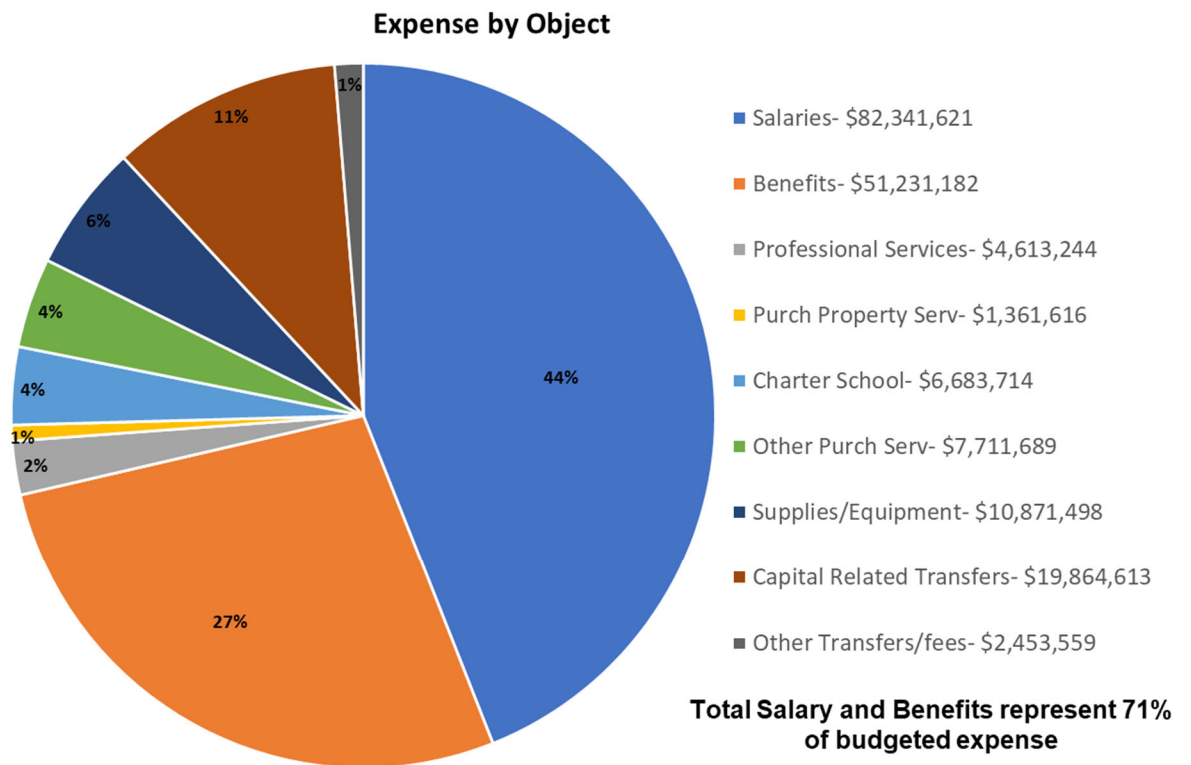
- The budget for 2023-24 includes revenues in the amount of \$188,350,588, which represents a \$11,313,035 (6.4%) increase compared to the 2022-23 budget.
- Budgeted local revenue is \$11,090,876 higher than the 2022-23 budget. Approximately \$6,400,000 of this increase is related to real estate taxes with approximately \$1,691,000 related to assumed assessed value growth and \$4,745,000 related to the tax increase. Interest on investments and earned income tax accounts for the majority of the remaining increase.
- The proposed real estate tax rate reflects an increase of 4.10% (equal to the Act I Index) or a 1.9538 mill resulting in a total of 49.6082 mills. The district did not increase the tax rate in 2020-21 or 2021-22 which was followed by a 3.4% tax increase in 2022-23. The proposed increase brings the five-year average tax increase to 1.89%.
- The increased cost to the average homestead approved residential taxpayer is \$160 per year.
- The district is primarily locally funded, with 80% of revenue from local sources.
- Budgeted state revenue is \$1,732,294 higher than the 2022-23 budget, primarily related to an increase in basic education subsidy of approximately \$1,561,000. Other state revenue related to mental health funding and special education funding increased approximately \$105,000 and \$75,000, respectively.
- Federal revenue decreased \$1,510,135 primarily related to a reduction in available ESSER grant funds compared to 2022-23, offset by an increase in access funding.

**2023-24 Revenue by Source**



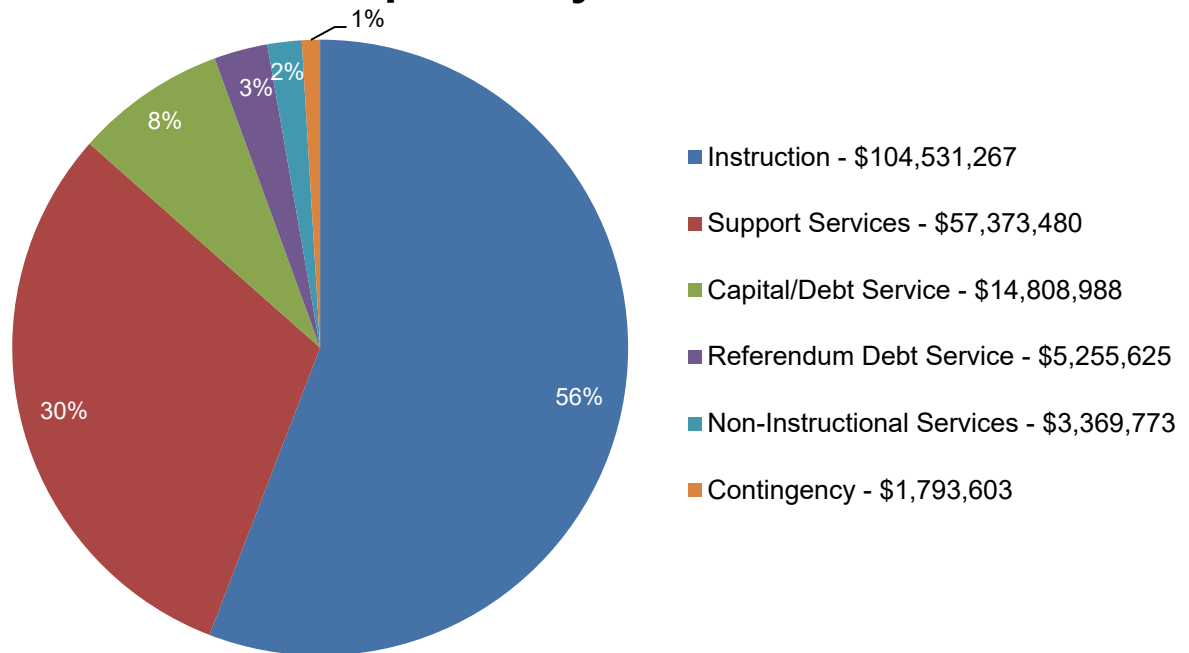
**Expense Budget**

- The budget for 2023-24 includes expenses in the amount of \$187,132,736, which represents a \$6,859,461 (3.8%) increase compared to the 2022-23 Budget.
- Salary and benefit expenses represent approximately 71% of the district’s total expenses.
- 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)
- The budget includes the following additional resources over the prior year.
  - 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
- Required contributions to the state retirement plan (PSERS) decreased approximately \$224,000 compared to the 2022-23 budget. This is the net impact of an increase in salary expense and a decrease in the percentage contribution rate from 35.26% to 34.00% of qualifying salaries.
- The district’s required payment to charter schools represents 3.6% of the 2023-24 budget (\$6,683,714).
- The budget contains an allocation of \$19,864,613 (11%) for debt service and capital expenses which includes \$5,255,625 to fund debt service payments related to the State High Project borrowing approved through the referendum. Debt service payments previously paid from the Capital Reserve fund are now budgeted in the General fund.



- The District is required to report expenses to PDE using defined functional groupings. Functions reported in the chart below include:
  - Instruction (56%) - Includes all activities dealing directly with the interaction between teachers and students and related costs, which can be directly attributed to a program of instruction. This does not include administrative instructional support costs. Payments to charter schools are also defined as instructional expense.
  - Support Services (30%) – Includes student support services (i.e. guidance, health, social work), instructional support (i.e. curriculum development, library), plant services, transportation, information technology and administrative support (i.e. principals, human resources, tax collection, legal, accounting).
  - Non-Instructional Services (2%) - Activities concerned with providing non-instructional services to students, staff or the community such as student activities, athletics and community services.
  - Other Expenditures and Financing Uses (12%) - Transfers from the general fund to support the food service fund, fund debt service payments and establish capital reserves.
- Over half of budgeted expenses consist of direct contact with students through instruction (56%).

## Expense By Function



### Fund Balance

- The 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, which is 7.9% of budgeted expense. The maximum percentage allowed by PDE is 8%.

### **District Facts**

- Eight elementary schools
- Three middle schools (including alternative Delta Middle Level)
- Two high schools (including alternative Delta Program)
- 2,867 elementary students
- 1,512 middle school students (including Delta Middle Level)
- 2,417 high school students (including Delta Program)
- 1,327 employees
- 656 teachers
- Covers 150 square miles
- Transportation system providing service to district, charter and private students
- District operated school breakfast and lunch program
- Community education programs including after school and summer extended learning opportunities

### **Pennsylvania School Law**

The School Law of Pennsylvania, as enacted by the Commonwealth legislature, requires that public school districts approve an annual budget on the modified accrual basis for the operation of the General Revenue Fund prior to the start of the fiscal year. The Board of School Directors of each district is further required to make these budgets available for public inspection at least 20 days prior to their adoption. Once approved by the district's Board of School Directors, these budgets become the approved spending plan of the district for the coming year, and the Board is prohibited from spending or obligating funds in excess of these amounts. The Board is authorized to transfer funds within the budget during the last nine months of the fiscal year. Unused appropriations revert to the fund balance at the end of each fiscal year. The school district designates a portion of this fund balance by an amount equal to outstanding encumbrances at year end.

### **Board of School Directors**

Ms. Jacqueline Huff, President  
Ms. Gretchen Brandt, Vice-President  
Dr. Deborah Anderson  
Dr. Amy Bader  
Dr. Peter Buck  
Dr. Carline Crevecoeur  
Dr. Daniel Duffy  
Mr. James Leous  
Ms. Laurel Zydney

### **Administration**

Curtis Johnson, Superintendent  
Christine Merritt, Interim Assistant Superintendent for Secondary Education  
Danielle Yoder, Assistant Superintendent for Elementary Education  
Linda E. Pierce, Director of Human Resources  
Randy L. Brown, Finance & Operations Officer  
Donna M. Watson, Assistant Business Administrator

*State College Area School District*  
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State College, PA 16801  
(814) 231-1021  
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*Mission: To prepare students for lifelong success through excellence in education.*

**State College Area School District  
General Fund Revenue  
Proposed Final Budget 2023-24**

**LOCAL**

CURRENT REAL ESTATE TAX	\$ 113,803,780
REAL ESTATE TAX-REFERENDUM DEBT	4,943,388
EARNED INCOME TAX	21,770,000
REALTY TRANSFER TAX	2,800,000
DELINQUENT REAL ESTATE TAX	1,100,000
INTERIM REAL ESTATE TAX	600,000
IDEA-B	898,756
PAYMENTS IN LIEU OF TAX	647,824
LOCAL SERVICES TAX	408,000
TUITION	1,555,621
MISC LOCAL REVENUE	557,607
PUBLIC UTILITY REALTY TAX	117,190
INTEREST ON INVESTMENTS	2,500,000
<b>TOTAL LOCAL</b>	<b>151,702,166</b>

**STATE**

BASIC ED INSTR SUBSIDY	10,600,367
SPECIAL ED REVENUE-REGULR	3,485,046
REV. FOR RETIREMENT	13,648,124
REV. FOR SOCIAL SECURITY	3,086,576
PROPERTY TAX REDUCTION	1,792,547
TRANSPORTATION REVENUE	800,000
BOND REIMBURSEMENTS	910,702
HEALTH SERVICES REVENUE	140,000
READY TO LEARN GRANT	310,013
SAFETY GRANTS	-
VOCATIONAL EDUCATION	226,000
OTHER STATE REVENUE	105,190
TUITION - 1305/1306	130,000
<b>TOTAL STATE</b>	<b>35,234,564</b>

**FEDERAL**

TITLE I REVENUE	600,000
TITLE II REVENUE	140,000
ACCESS FUNDS	350,000
OTHER FEDERAL REVENUE	288,858
TITLE III REVENUE	35,000
<b>TOTAL FEDERAL</b>	<b>1,413,858</b>

<b>TOTAL REVENUE</b>	<b>\$188,350,588</b>
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**State College Area School District  
General Fund Expenses and Fund Balance Transfers  
Proposed Final Budget 2023-24**

Salaries	\$ 82,341,620
Health Insurance	16,107,092
PSERS	27,296,247
Other Benefits	7,827,843
Professional Services	4,613,244
Purchased Property Services	1,361,616
Charter School Expense	6,683,714
Other Purchased Services	7,711,689
Supplies/Equipment	10,871,498
Minor Capital Projects	2,390,188
Transfers/contingencies	2,453,559
Debt Service	12,218,800
Debt Service - Referendum Debt	5,255,625
<b>Total Expense before transfer to capital reserve and fund balance use</b>	<b>187,132,736</b>
Transfer to Capital Reserve	-
<b>Total Expense including transfer to capital reserve</b>	<b>187,132,736</b>
Fund Balance Commitment/Use (Debt Service)	-
Fund Balance Commitment/Use (Health Insurance)	799,997
<b>Total fund balance commitment/(use)</b>	<b>799,997</b>
<b>Total Expenses and Transfers</b>	<b>\$ 187,932,733</b>

**State College Area School District  
General Fund Activity  
Proposed Final Budget 2023-24**

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