



## State College Area School District

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To: Board of Directors  
From: Curtis Johnson, Donna Watson and Randy Brown  
Date: February 16, 2023  
Subject: Budget Development

This budget development discussion includes an update of revenue projections for 2022-23 and budget for 2023-24, primarily focused on local revenue. As in the past, the current year projections and budget are updated based upon the most recent information available. Unfortunately this information is received at different times throughout the year.

The comparative statements for 2022-23 current year and 2023-24 budget have been updated along with the multi-year projections for the revenue to show the changes since the most recent presentation as well as the year-over-year impact of the updates. Detail is provided in the presentation.

	A	B	C	F	I	J	K
1	<b>State College Area School District</b>						
2	<b>General Fund Revenue</b>						
3	<b>Budget 2023-24</b>						
4							
5							
6		<b>Board Presentation 5/16/22</b>	<b>Board Presentation 12/5/22 (1)</b>	<b>Board Presentation 1/11/23 (2)</b>	<b>Board Presentation 2/20/23</b>	<b>2/20/23 vs. 1/11/23</b>	<b>Variance Explanation</b>
7	<b>LOCAL SERVICES TAX</b>						
8	CURRENT REAL ESTATE TAX	\$ 111,404,824	\$ 114,422,706	\$ 114,422,706	\$ 114,164,002	\$ (258,704)	Assumes assessed value increase of .75% vs. 1.2% based upon assessed value growth through February and estimated appeal impacts.
9	REAL ESTATE TAX-REFERENDUM DEBT	4,943,388	4,943,388	4,943,388	4,943,388	-	
10	EARNED INCOME TAX	20,100,000	21,530,000	21,980,000	21,980,000	-	
11	REALTY TRANSFER TAX	2,800,000	2,800,000	2,800,000	2,800,000	-	
12	DELINQUENT REAL ESTATE TAX	1,100,000	1,100,000	1,100,000	1,100,000	-	
13	INTERIM REAL ESTATE TAX	600,000	600,000	600,000	600,000	-	
14	IDEA-B	733,819	898,756	898,756	898,756	-	
15	PAYMENTS IN LIEU OF TAX	674,646	674,646	647,824	647,824	-	
16	LOCAL SERVICES TAX	393,000	394,000	412,000	412,000	-	
17	TUITION	1,462,805	1,462,805	1,462,805	1,555,621	92,817	Primarily related to proposed CEEL rate increase
18	MISC LOCAL REVENUE	549,915	549,915	549,915	557,607	7,692	
19	PUBLIC UTILITY REALTY TAX	117,190	117,190	117,190	117,190	-	
20	INTEREST ON INVESTMENTS	250,000	700,000	2,500,000	2,500,000	-	
21	<b>TOTAL LOCAL</b>	<b>145,129,586</b>	<b>150,193,405</b>	<b>152,434,583</b>	<b>152,276,388</b>	<b>(158,195)</b>	
22							
23	<b>STATE</b>						
24	BASIC ED INSTR SUBSIDY	9,039,487	10,600,367	10,600,367	10,600,367	-	
25	SPECIAL ED REVENUE-REGULR	3,409,937	3,485,046	3,485,046	3,485,046	-	
26	REV. FOR RETIREMENT	14,300,000	14,300,000	13,600,000	13,600,000	-	
27	REV. FOR SOCIAL SECURITY	3,061,845	3,063,087	3,063,087	3,063,087	-	
28	PROPERTY TAX REDUCTION	1,421,949	1,421,949	1,421,949	1,421,949	-	
29	TRANSPORTATION REVENUE	800,000	800,000	800,000	800,000	-	
30	BOND REIMBURSEMENTS	938,994	910,702	910,702	910,702	-	
31	HEALTH SERVICES REVENUE	140,000	140,000	140,000	140,000	-	
32	READY TO LEARN GRANT	310,013	310,013	310,013	310,013	-	
33	SAFETY GRANTS	-	-	-	-	-	
34	VOCATIONAL EDUCATION	196,000	196,000	196,000	196,000	-	
35	OTHER STATE REVENUE	-	105,190	105,190	105,190	-	
36	TUITION - 1305/1306	130,000	130,000	130,000	130,000	-	
37	<b>TOTAL STATE</b>	<b>33,748,225</b>	<b>35,462,354</b>	<b>34,762,354</b>	<b>34,762,354</b>	<b>\$ -</b>	
38							
39	<b>FEDERAL</b>						
40	TITLE I REVENUE	600,000	600,000	600,000	600,000	-	
41	TITLE II REVENUE	140,000	140,000	140,000	140,000	-	
42	ACCESS FUNDS	250,000	350,000	350,000	350,000	-	
43	OTHER FEDERAL REVENUE	168,788	147,200	147,200	288,858	141,658	ESSER spending moved from 2022-23
44	TITLE III REVENUE	35,000	35,000	35,000	35,000	-	
45							
46	<b>TOTAL FEDERAL</b>	<b>1,193,788</b>	<b>1,272,200</b>	<b>1,272,200</b>	<b>1,413,858</b>	<b>141,658</b>	
47							
48	<b>TOTAL REVENUE</b>	<b>\$180,071,599</b>	<b>\$186,927,959</b>	<b>\$188,469,137</b>	<b>\$188,452,599</b>	<b>(\$16,537)</b>	
49							
50							
51	(1) Projection assumes 4.1% tax increase vs. 2%, higher assessed value growth in 2022-23, greater than anticipated EIT growth in 2021-22, higher IDEA allocation and interest rates. State revenue reflects actual 2022-23 state subsidy, estimated PCCD grant utilization and federal revenue reflects higher than projected ACCESS revenue in 2021-22.						
52	(2) Projection assumes 3.5% earning income tax increase vs. 2.5%, increased interest rates and a reflects a decrease in the PSERS employer percentage to 34% based upon the December 2022 actuarial report.						

	A	B	C	F	I	J	K
1	<b>State College Area School District</b>						
2	<b>General Fund Revenue</b>						
3	<b>Projection 2022-23</b>						
4							
5							
6							
7							
8		<b>Budget</b>	<b>Board Presentation 12/5/22 (1)</b>	<b>Board Presentation 1/11/23 (2)</b>	<b>Board Presentation 2/20/23</b>	<b>2/20/23 vs. 1/11/23</b>	<b>Variance Explanation</b>
9	<b>LOCAL SERVICES TAX</b>						
10	CURRENT REAL ESTATE TAX	\$ 107,366,561	\$ 107,930,281	\$ 107,930,281	\$ 108,497,686	\$ 567,405	Assumes fewer appeals settled and an increase in collection percentage
11	REAL ESTATE TAX-REFERENDUM DEBT	4,944,564	4,944,564	4,944,564	4,944,564	-	
12	EARNED INCOME TAX	19,610,000	21,000,000	21,240,000	21,240,000	-	
13	REALTY TRANSFER TAX	2,800,000	2,800,000	2,800,000	2,800,000	-	
14	DELINQUENT REAL ESTATE TAX	1,100,000	1,100,000	1,100,000	1,100,000	-	
15	INTERIM REAL ESTATE TAX	600,000	600,000	600,000	315,000	(285,000)	Projected based upon 2/1/23 billing
16	IDEA-B	802,610	1,047,675	1,047,675	1,047,675	-	
17	PAYMENTS IN LIEU OF TAX	674,646	674,646	647,824	647,824	-	
18	LOCAL SERVICES TAX	383,000	384,000	398,000	398,000	-	
19	TUITION	1,462,805	1,462,805	1,462,805	1,402,544	(60,261)	
20	MISC LOCAL REVENUE	549,915	549,915	549,915	568,931	19,016	
21	PUBLIC UTILITY REALTY TAX	117,190	117,190	127,972	127,972	-	
22	INTEREST ON INVESTMENTS	200,000	1,100,000	2,600,000	2,600,000	-	
23							
24	<b>TOTAL LOCAL</b>	<b>140,611,290</b>	<b>143,711,075</b>	<b>145,449,034</b>	<b>145,690,196</b>	<b>241,160</b>	
25							
26	<b>STATE</b>						
27	BASIC ED INSTR SUBSIDY	9,039,487	10,600,367	10,600,367	10,600,367	-	
28	SPECIAL ED REVENUE-REGULR	3,409,937	3,485,046	3,485,046	3,485,046	-	
29	REV. FOR RETIREMENT	13,760,101	13,765,178	13,765,178	13,765,178	-	
30	REV. FOR SOCIAL SECURITY	2,985,381	2,986,461	2,986,461	2,986,461	-	
31	PROPERTY TAX REDUCTION	1,792,547	1,792,547	1,792,547	1,792,547	-	
32	TRANSPORTATION REVENUE	800,000	800,000	800,000	800,000	-	
33	BOND REIMBURSEMENTS	938,804	910,864	910,864	910,864	-	
34	HEALTH SERVICES REVENUE	140,000	154,304	154,304	154,304	-	
35	READY TO LEARN GRANT	310,013	310,013	310,013	310,013	-	
36	SAFETY GRANTS	-	-	-	-	-	
37	VOCATIONAL EDUCATION	196,000	196,000	196,000	196,000	-	
38	OTHER STATE REVENUE	-	304,010	304,010	304,010	-	
39	TUITION - 1305/1306	130,000	130,000	130,000	130,000	-	
40	<b>TOTAL STATE</b>	<b>33,502,270</b>	<b>35,434,789</b>	<b>35,434,789</b>	<b>35,434,789</b>	<b>-</b>	
41							
42	<b>FEDERAL</b>						
43	TITLE I REVENUE	600,000	652,386	652,386	652,386	-	
44	TITLE II REVENUE	140,000	140,907	140,907	140,907	-	
45	ACCESS FUNDS	250,000	350,000	350,000	350,000	-	
46	OTHER FEDERAL REVENUE	1,898,993	2,132,370	2,132,370	1,990,714	(141,656)	ESSER spending moved to 2023-24
47	TITLE III REVENUE	35,000	44,981	44,981	44,981	-	
48							
49	<b>TOTAL FEDERAL</b>	<b>2,923,993</b>	<b>3,320,644</b>	<b>3,320,644</b>	<b>3,178,988</b>	<b>(141,656)</b>	
50							
51	<b>TOTAL REVENUE</b>	<b>\$177,037,552</b>	<b>\$182,466,508</b>	<b>\$184,204,468</b>	<b>\$184,303,973</b>	<b>\$99,504</b>	
52							
58	(1) Projection assumes 1.4% vs 1.2% assessed value growth, fewer appeal settlements in 2021-22, greater than anticipated EIT growth in 2021-22 and carryover plus higher 2022-23 allocation of IDEA revenue. State revenue reflects actual state subsidy based on approved state budget and PCCD grant. Projected federal ACCESS revenue reflects higher than projected 2012-22 revenue and revised estimate of usage of ESSER Funding.						
59	(2) Projection assumes 3.7% increase in earned income tax collections (previously 2.5%) and increased interest on investments based upon increased rates.						

