

State College Area School District



2022-23 Budget Development

**State College
Area School District
February 9, 2022**

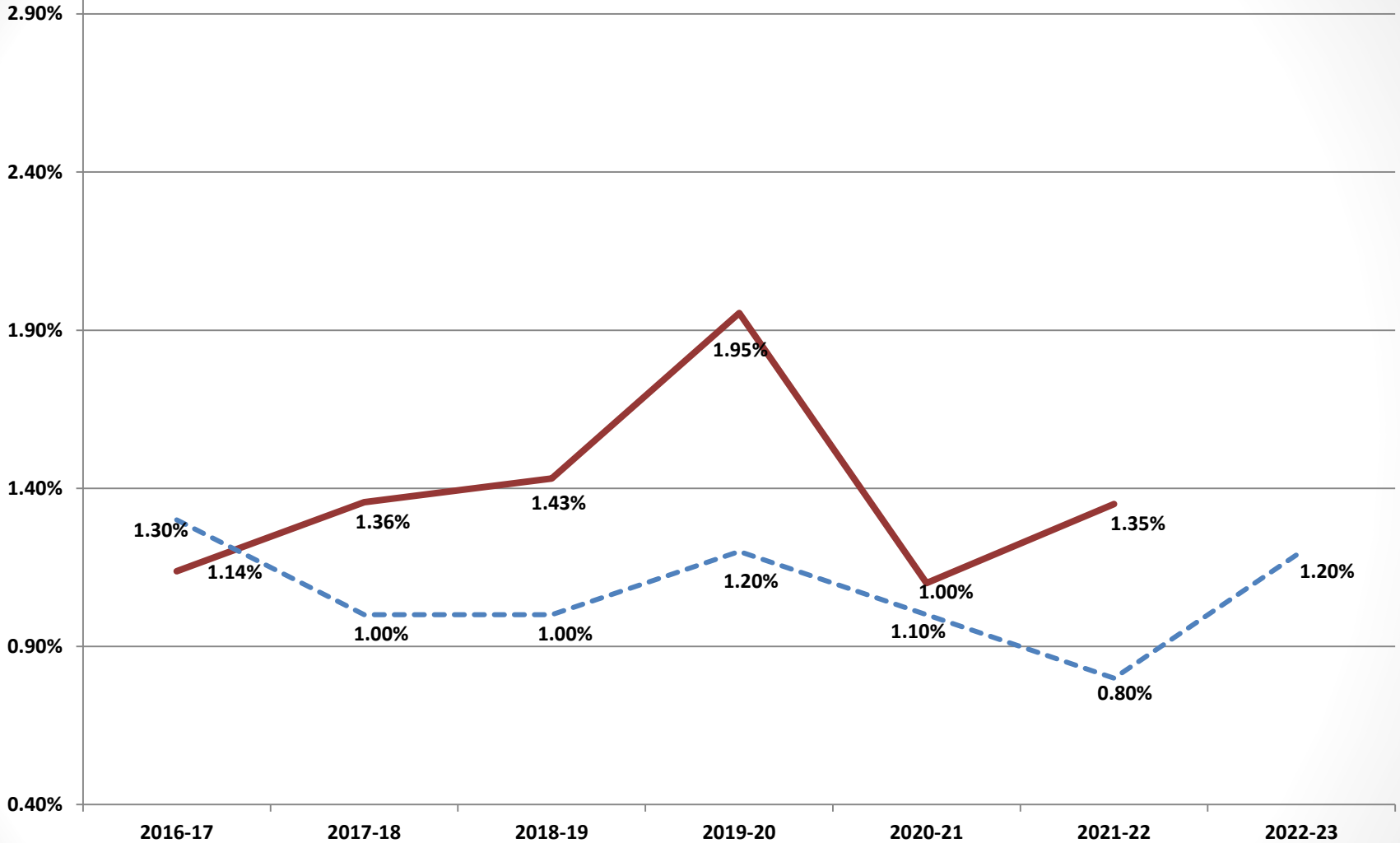
2022-2023 Revenue

Total Revenue Budget \$175,972,682

Major Local Revenue Assumptions:

- **Real Estate Tax Increase of 3.4% (Act 1 Index)**
- **Assessed value growth 1.2%**
 - 5 year average 1.4%
 - 10 year average 1.3%
 - Actual 2020-21 1.1%
 - Projected 2021-22 1.35%
- **Collection Percentage – 97.2%**
 - Historical – approximately 97.2%
 - 2021-22 actual – 97.6%
 - Impact of 1% increase in collection percentage - \$1.1 million
- **Earned Income Tax Growth – 2.5%**
 - 5 year average 2.2%
 - 10 year average 3.3%
 - 2020-21 actual -.74%
 - Projected 2021-22 2.5%

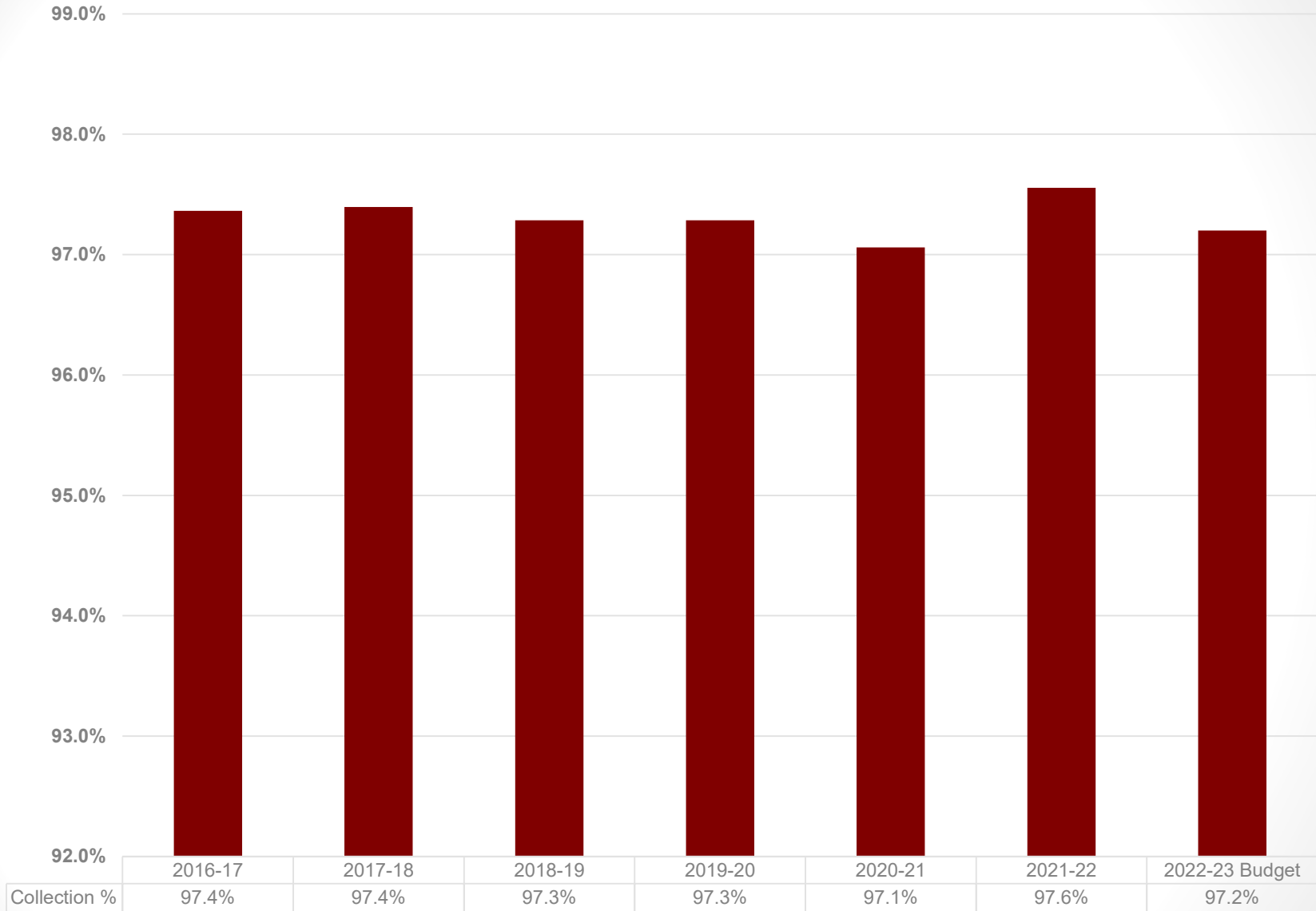
Historical Assessed Value Growth



5- year average 1.40%
10- year average 1.26%

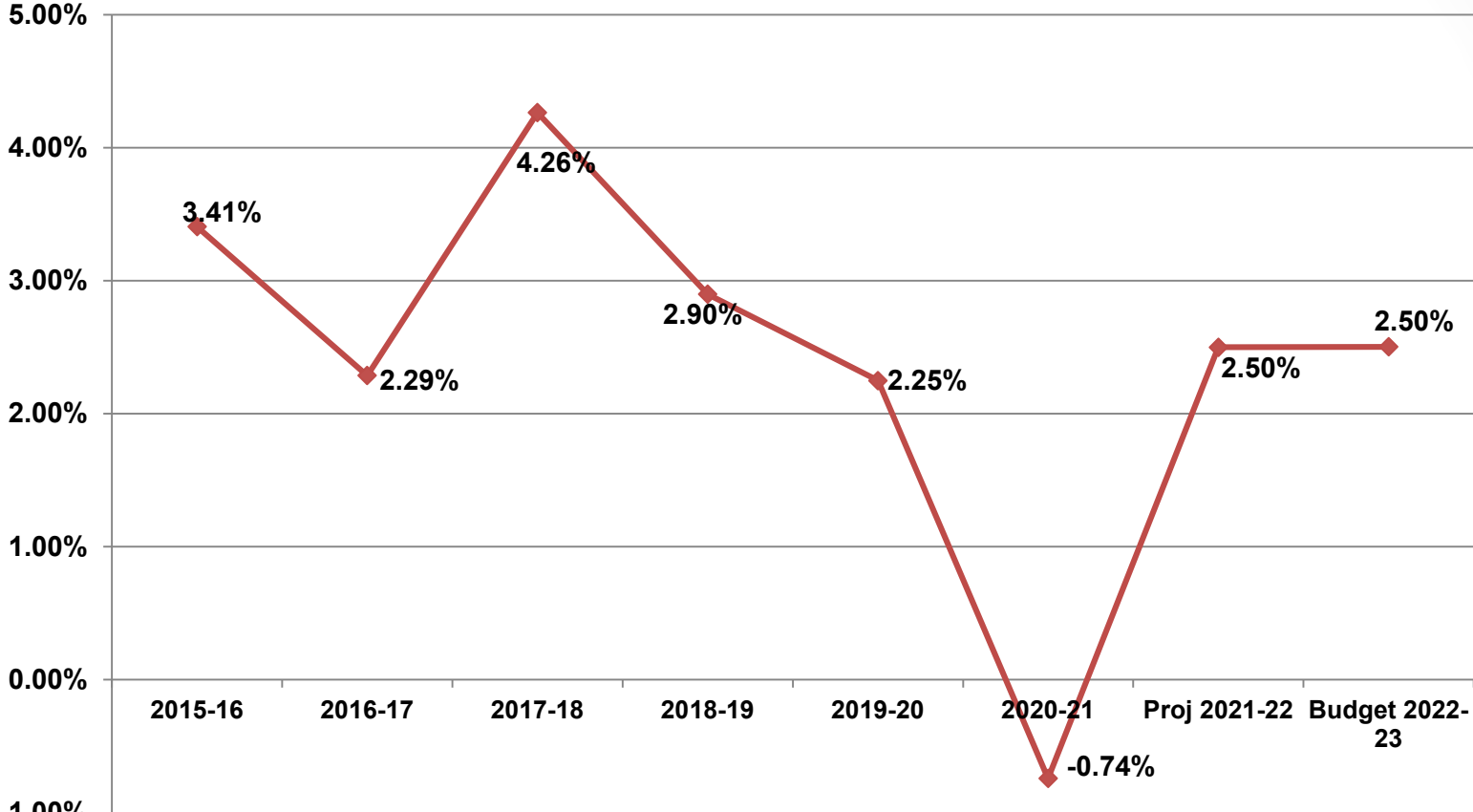
— Actual/Projected
- - - Budget

Real Estate Tax Collection Percentage



Note: The increase in revenue in 2021-22 resulting from the collection percentage of 97.6% is \$1,711,250 vs. a budgeted collection percentage of 96%, and \$612,450 vs. the December 2021 projected collection percentage of 97%.

Earned Income Tax - Historical Percent Change

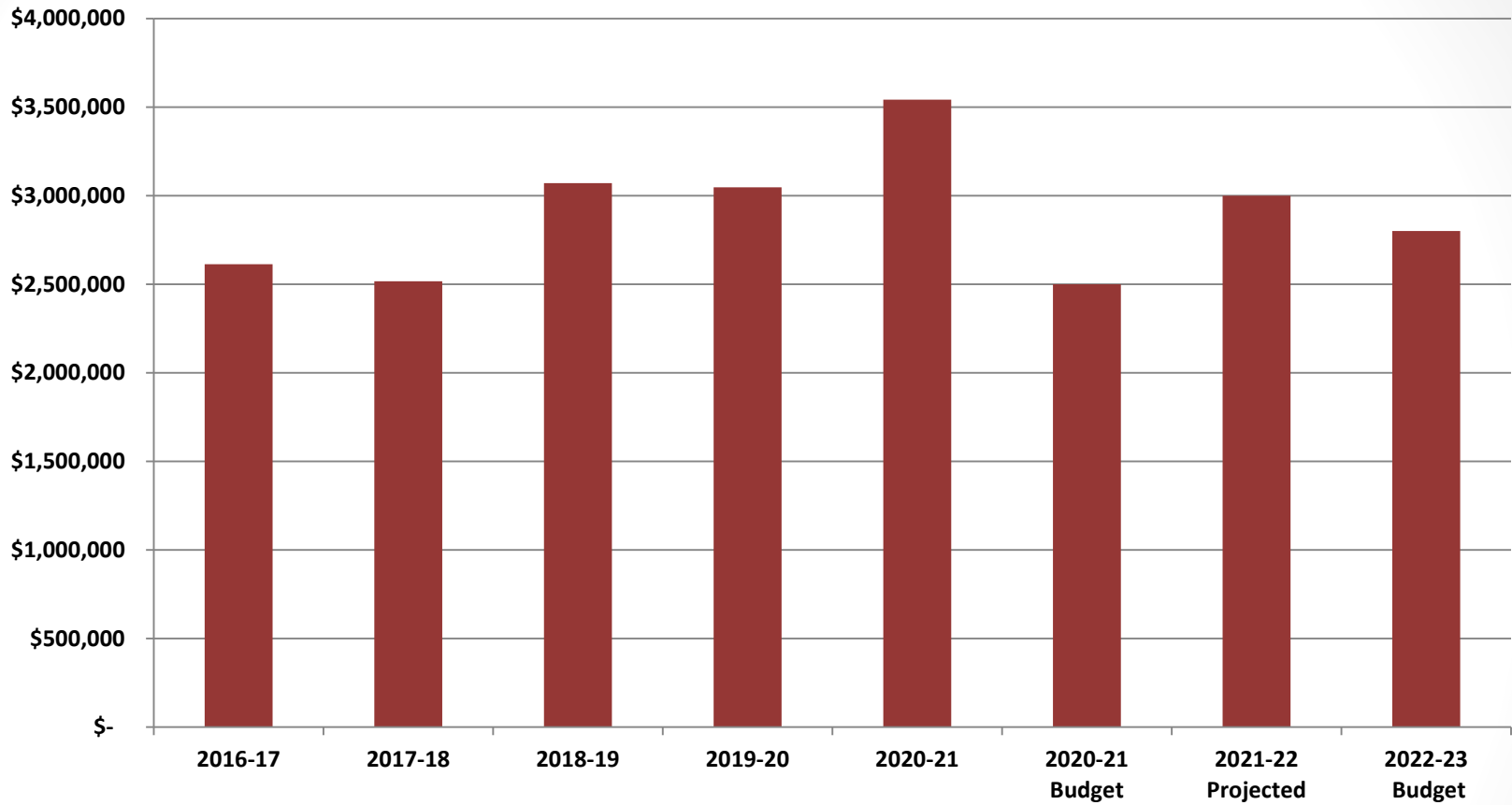


Five-year average through 2020-21
 Ten-year average through 2020-21

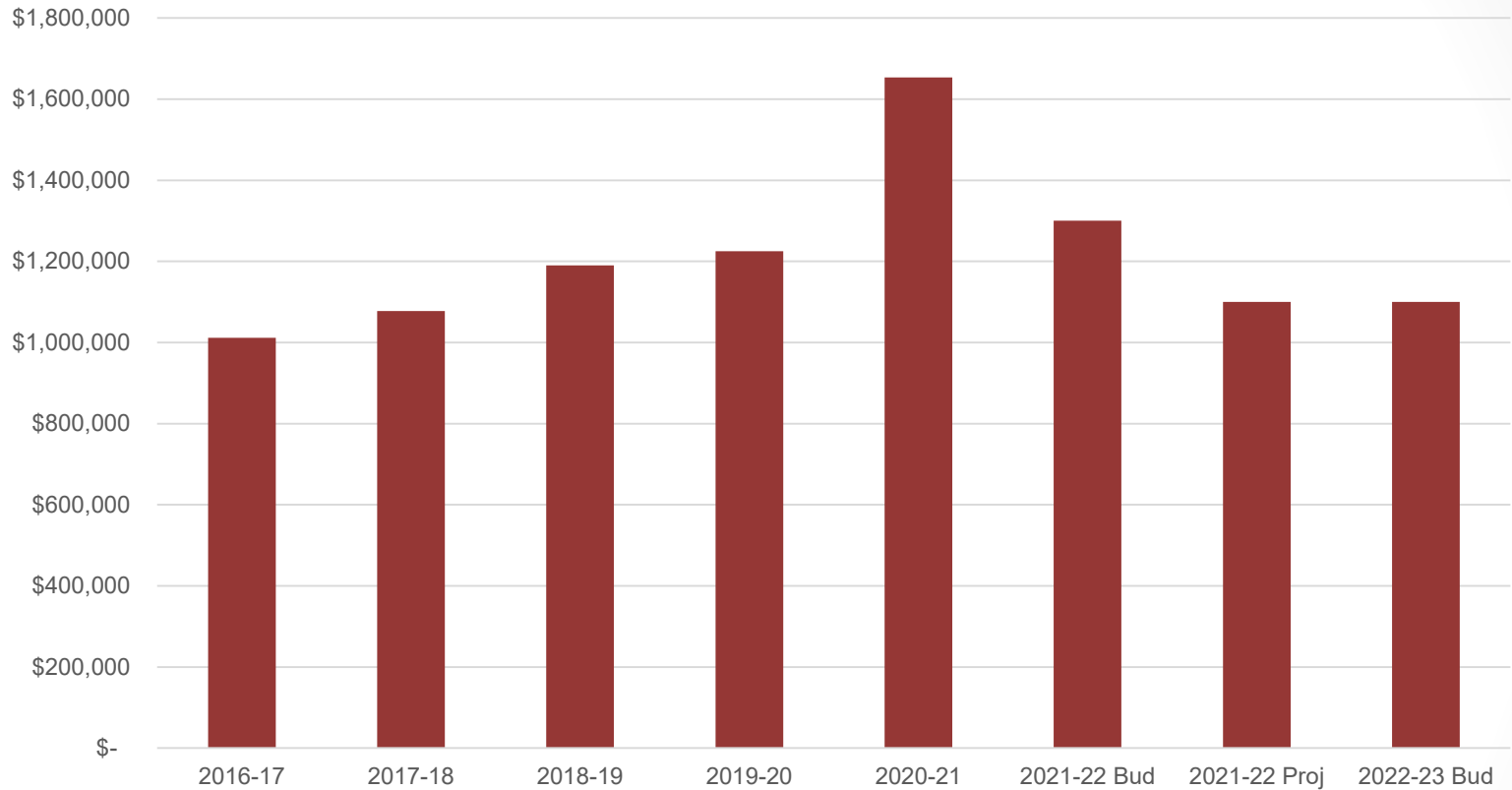
2.19%
 3.28%

* 2021-22 Budget 1.0%

Transfer Tax Revenue

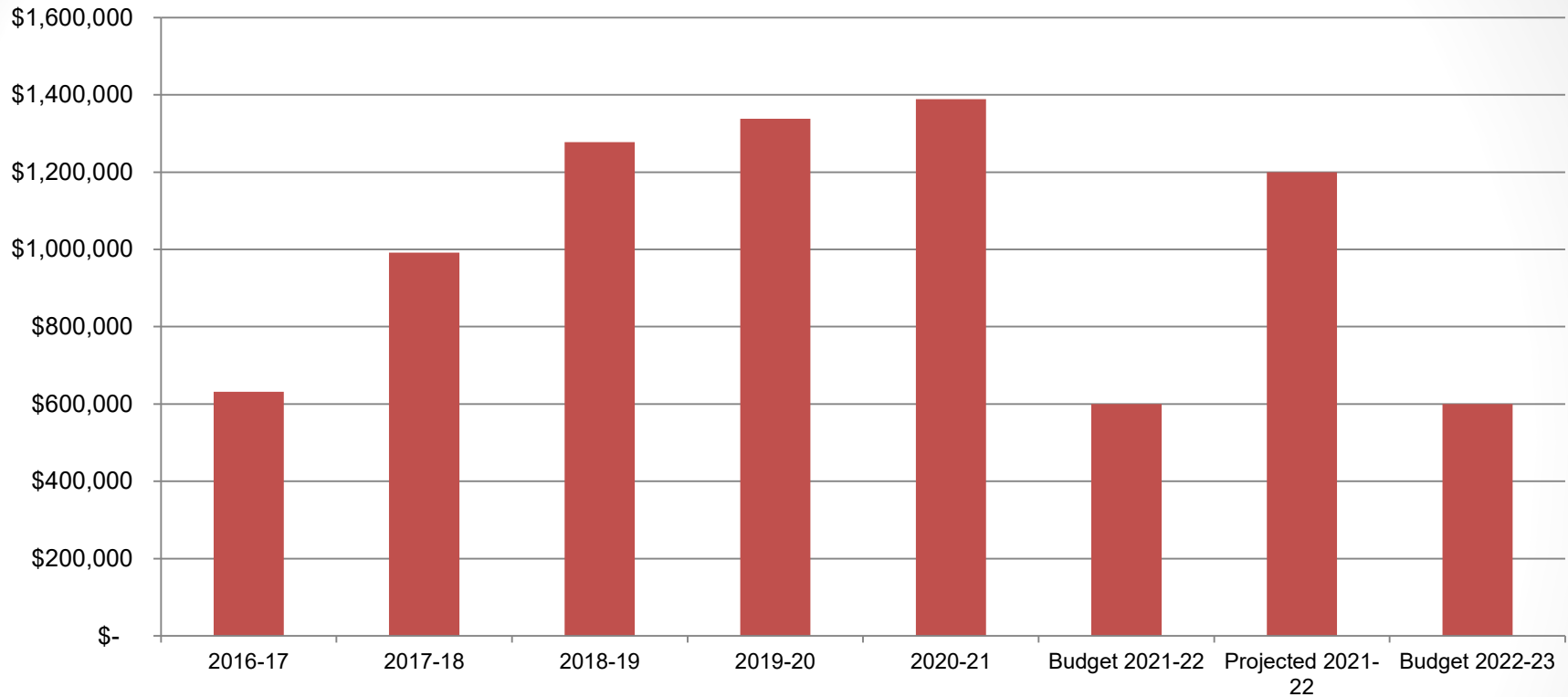


Delinquent Real Estate Tax



5 year average (excluding 2020-21) \$1,152,000
10 year average (excluding 2020-21) \$1,270,000

Historical Interim Real Estate Tax



Note: Properties that are not on the tax rolls prior to the July duplicate real estate tax billing are processed in off-cycle July and February billings. Revenue is net of supplemental tax rebates.

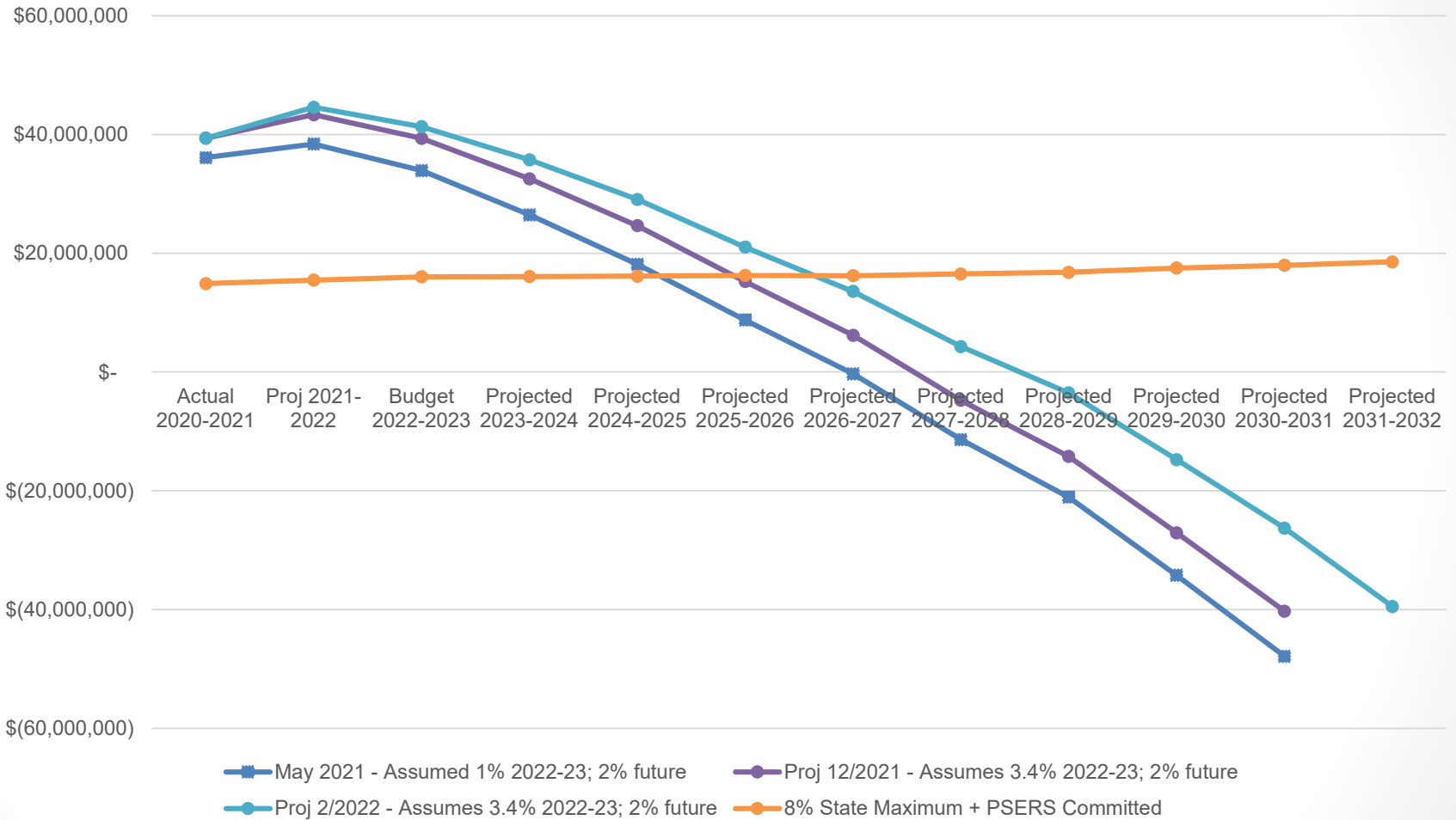
Supplemental tax rebates:

2016-17 \$82,584
 2017-18 \$88,266
 2018-19 \$84,220
 2019-20 \$85,225
 2020-21 \$85,020

State College Area School District
 General Fund Activity
 2/7/2022

	Actual 2020-2021	Projected 2021-2022	Budget 2022-2023	Projected 2023-2024	Projected 2024-2025	Projected 2025-2026	Projected 2026-2027
Beginning Fund Balance	\$12,627,467	\$12,264,882	\$13,222,769	\$14,195,044	\$14,626,934	\$15,095,143	\$15,603,947
Revenue	168,866,114	172,154,499	175,972,682	179,080,858	183,921,529	188,998,140	193,981,840
Local	133,927,009	136,019,650	140,863,322	145,021,397	149,326,734	153,775,813	158,359,148
State	29,871,141	31,592,203	32,232,429	32,827,773	33,459,795	34,087,328	34,487,693
Federal	5,067,965	4,542,646	2,876,931	1,231,687	1,135,000	1,135,000	1,135,000
Expense and transfers (excluding use of fund balance)	154,859,898	166,950,197	179,229,466	184,677,946	190,591,222	197,014,205	201,457,543
Revenue less expense	14,006,217	5,204,302	(3,256,784)	(5,597,089)	(6,669,694)	(8,016,065)	(7,475,702)
Funding/(Use) of Assigned Fund Balance (Revenue Shortfall)	14,314,000	4,642,574	(3,832,900)	(5,632,820)	(6,741,744)	(8,128,710)	(4,779,000)
(Use) of Assigned Fund Balance (PSERS/Legal Liability)	0	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)	(396,159)
Incr (Decr) in Assigned Fund Balance	14,314,000	4,246,415	(4,229,059)	(6,028,979)	(7,137,903)	(8,524,869)	(5,175,159)
Change in non-spendable Fund Balance	28,325						
Change in enterprise Fund Balance	(83,127)						
Change in Unassigned General Fund Balance	(362,585)	957,887	972,275	431,890	468,209	508,804	(2,300,543)
Ending Unassigned Fund Balance	\$12,264,882	\$13,222,769	\$14,195,044	\$14,626,934	\$15,095,143	\$15,603,947	\$13,303,404
Preliminary Budget		\$13,222,179	\$14,217,408	\$14,658,016	\$15,126,777	\$14,583,950	\$5,938,573
Increase (Decrease)		\$590	(\$22,364)	(\$31,082)	(\$31,634)	\$1,019,997	\$7,364,831

General Fund - Committed and Unassigned Fund Balance

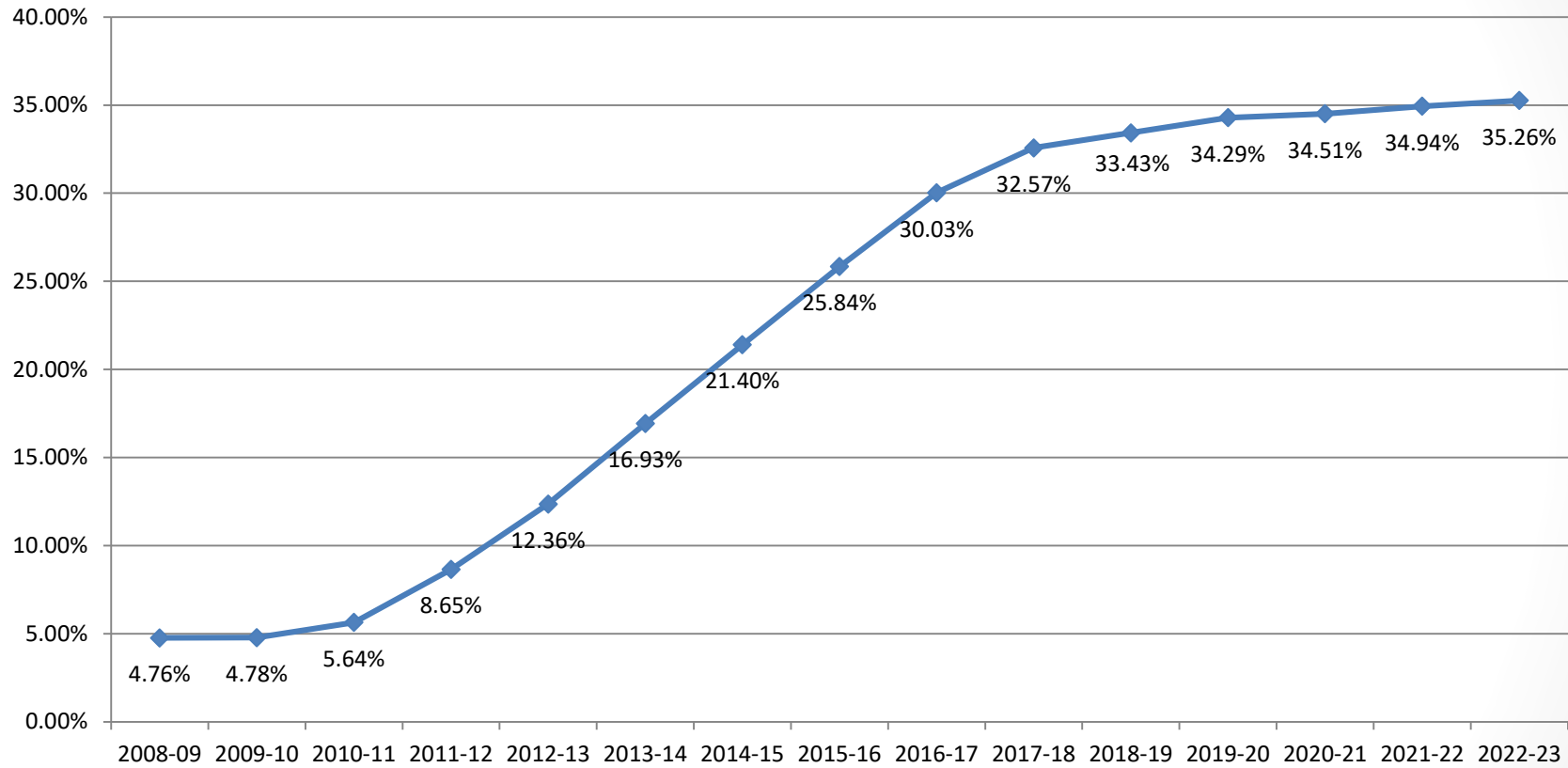


PSERS Employer Rates

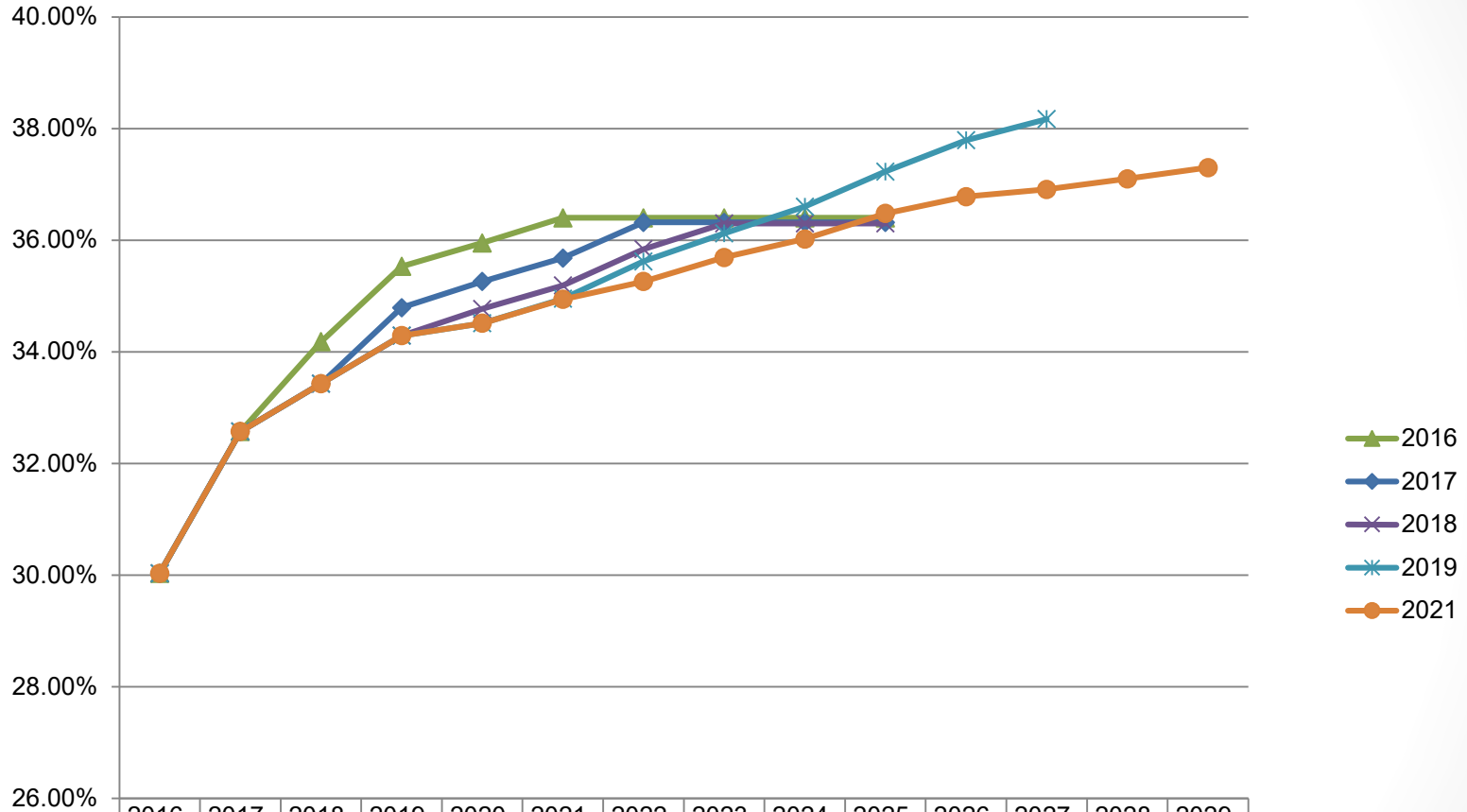
- PSERS published updated employer percentage contribution rates on December 17, 2021
- The last update of rates for projected periods was in December 2019
- Rates are less than the most recent estimate
- Impact of rate changes

	2022-23	2023-24 to 2030-31
Expense Decrease	\$ (277,362)	\$ (5,900,000)
Revenue Decrease	\$ (138,681)	\$ (2,950,000)
Net Impact of Change	\$ (138,681)	\$ (2,950,000)

PSERS Employer Rates



PSERS Employer Rates



	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
2016	30.03	32.57	34.18	35.53	35.95	36.40	36.40	36.40	36.40	36.40				
2017	30.03	32.57	33.43	34.79	35.26	35.68	36.32	36.32	36.32	36.32				
2018	30.03	32.57	33.43	34.29	34.77	35.19	35.84	36.30	36.30	36.30				
2019	30.03	32.57	33.43	34.29	34.51	34.95	35.62	36.12	36.60	37.23	37.79	38.17		
2021	30.03	32.57	33.43	34.29	34.51	34.94	35.26	35.69	36.02	36.48	36.78	36.91	37.10	37.30

Next Steps

- 2/21/2022 Board meeting
- March Finance Committee

Questions

State College Area School District

