



**STATE COLLEGE AREA SCHOOL DISTRICT  
ADMINISTRATIVE OFFICES**

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**STATE COLLEGE AREA SCHOOL DISTRICT  
2024-25 BUDGET SUMMARY**

Budget Hearing Date: May 20, 2024, 7:00 p.m.

Budget Adoption Date: June 3, 2024, 7:00 p.m.

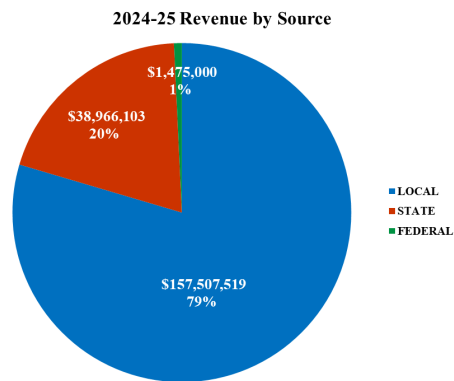
Location: Panorama Village Building Board Room – Meeting Room A

Education is an investment in the future that requires a partnership between schools and the community. 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**

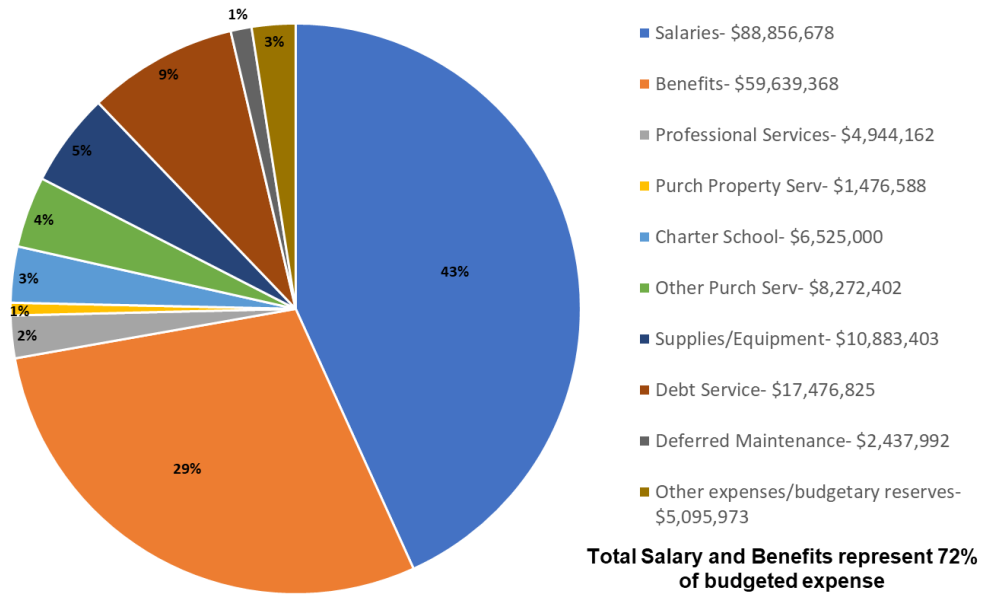
- The budget for 2024-25 includes revenues in the amount of \$197,948,622, which represents a \$9,597,991 (5.1%) increase compared to the 2023-24 budget.
- Budgeted local revenue is \$5,806,778 higher than the 2023-24 budget. Approximately \$4,300,000 of this increase is related to real estate taxes with approximately \$1,366,000 related to assumed assessed value growth and \$3,015,000 related to the tax increase. Interest on investments, earned income tax, and tuition account for the majority of the remaining increase.
- The proposed increase in the real estate tax rate is 2.65%, or a 1.3146 mill increase, to 50.9228 mills of real estate tax. The Act I Index for 2024-25 is 5.3%.
- This increase would equate to an average additional cost across all property types (residential, commercial, agricultural, etc.) for the July 2024 billing in the amount of \$132. To determine a more precise individualized tax impact, a taxpayer can calculate their approximate tax increase by multiplying the payment made for their July 1, 2023 taxes by 2.65%.
- The district is primarily locally funded, with 79% of revenue from local sources.
- Budgeted state revenue is \$3,730,071 higher than the 2023-24 budget. Increase reflects a continuation of improved funding for education in the state budget for basic education subsidy of approximately \$1,900,000 (18%) and increased reimbursement for retirement (\$1,000,000) and social security (\$244,000). The Property Tax Reduction allocation from PDE also increased by \$375,000 (20%) which provides a reduction in real estate taxes for eligible homestead and farmstead properties.
- Federal revenue increased by approximately \$61,000 which is reflective of an increase in title related funds over approximately \$240,000 offset by a decrease in ESSER grant funds of approximately \$179,000.



### **Expense Budget**

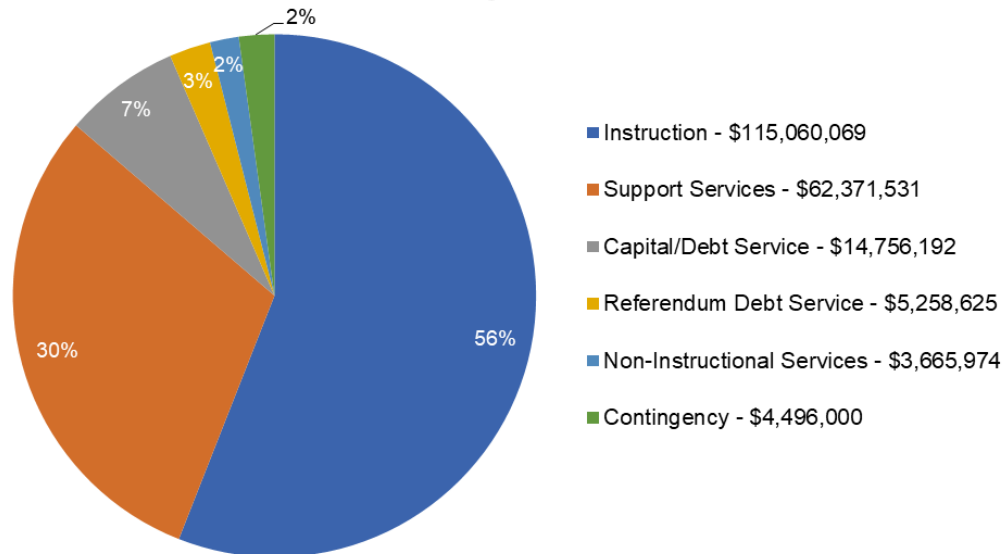
- The budget for 2024-25 includes expenses in the amount of \$205,608,390, which represents a \$18,475,655 (10%) increase compared to the 2023-24 Budget. Key budgetary additions include the following:
  - Reinstatement of 1.0 DEIB secondary position
  - .33 high school math position
  - MTSS teacher (to be funded by Title II funds)
  - 2.0 FTE Elementary Curriculum Coordinators and 1.0 FTE Special Education teacher by repurposing remaining 3.0 FTE Elementary Instructional Coach positions.
  - Technical Integration Manager to focus on integration of technology into the District
  - MTSS and Intervention Support secretary to meet increased demands in IEP requirements
  - Other recurring costs include AP Exam costs, the addition of a Safety and Security budget, an increase in the substitute teacher employee rate, and an increase in contracted carrier (bus/van) costs.
- Salary and benefit expenses represent approximately 72% of the district's total expenses.
  - Impact of the new contracts
  - Poor experience in the district's self-insured health care plan for 2023-24 has necessitated an increase in the 2024-25 budget to reflect approximately \$5,393,000 of additional costs. This cost is projected to be offset by a \$3,150,000 use of the committed health insurance fund balance in which the district has committed approximately \$8,000,000 over the last two years to use in the event of any poor claim experience.
- Required contributions to the state retirement plan (PSERS) increased approximately \$2,168,000 compared to the 2023-24 budget. This is related to an increase in salary expense (PSERS employer contribution rate for 2024-25 is 33.9% (less than the 2023-24 rate of 34%) of qualifying salaries).
- The district's required payment to charter schools represents 3.2% of the 2024-25 budget (\$6,525,000).
- The budget contains an allocation of \$19,914,817 (10%) for debt service and capital expenses which includes \$5,258,625 to fund debt service payments related to the State High Project borrowing approved through the referendum. This cost is projected to be offset by a \$2,349,000 use of committed debt service fund balance.

### 2024-25 Expense by Object



- 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%) – Includes transfers from the general fund to fund debt service payments and deferred maintenance projects. Also, includes other expenditures/fees and budgetary reserves.

## Expense By Function



### Fund Balance

- The budget includes:
  - Use of Committed Fund Balance- Fund balance for debt service was committed to fund debt payments through fiscal year 2031-32. The proposed 2024-25 budget includes usage of \$2,349,000 of committed Debt Service Fund Balance. Additionally, fund balance for health insurance was committed to offset expense in excess of the budget. The 2024-25 proposed budget includes usage of this fund balance in the amount of \$3,150,000.
  - This budget does not include a transfer to the Capital Reserve Fund
  - Projected ending Unassigned General Fund Balance for 2024-25 is \$12,608,884, which is 6.1% 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)
- 2,854 elementary students
- 1,522 middle school students (including Delta Middle Level)
- 2,349 high school students (including Delta Program)
- 1,353 employees
- 679 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**

Dr. Amy Bader, President  
Dr. Deborah Anderson, Vice-President  
Ms. Gretchen Brandt  
Dr. Peter Buck  
Dr. Carline Crevecoeur  
Dr. Anne Demo  
Ms. Jacqueline Huff  
Mr. Dan Kolbe  
Dr. Aaron Miller

### **Administration**

Curtis Johnson, Superintendent  
Christine Merritt, 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  
Joseph P. Viglione, Assistant Business Administrator

*State College Area School District*  
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*Mission: To prepare students for lifelong success through excellence in education.*