



State College Area School District

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To: Board of Directors
 From: Curtis Johnson, Randy Brown and Joe Viglione
 Subject: 2024-2025 Budget Development - Final Budget
 Date: May 2, 2024

The final budget for 2024-2025 presented has been updated since the proposed final budget was presented and approved on April 15, 2024. This presentation will include a summary of the modifications since that time. As a reminder, approval of the proposed final budget is a necessary step in the budget development process as required under Act 1 of 2006. As have occurred this year, changes in the final budget are permitted. Another step in the budget approval process is that the board hold a budget hearing, which is scheduled for May 20, 2024.

Summary

The proposed final budget is presented as the budget development process nears culmination as [budget calendar](#), adapted from the required by Act 1 of 2006 process. The updated final budget includes revenue of \$197,948,622 with expenses of \$205,608,390. The final unassigned fund balance is projected at \$12,608,884.

Revenue

The proposed final budget has been developed in response to current and projected economic conditions. The real estate tax rate is 50.9228 mills which equates to a 2.65% tax increase. The collection percentage and assessed value growth return to more normal averages of 97.2% and 1.2%. Earned income tax revenue is budgeted at 3% growth, which is comparable to the historical average. State subsidies are primarily maintained at current year projected levels. Federal revenue decreased based on estimated remaining ESSER grant funds.

Expense

As presented in the proposed final budget, the budget includes new recurring costs for 1.0 DEIB secondary position, a 0.33 high school math position, a MTSS teacher (which will be funded by Title II revenue), and an increase in health insurance expenses. In addition, three teacher positions were previously grant funded and are now going to be funded with local dollars. 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.

Additional items not included in the proposed final budget are:

- Increase in \$1 million in health insurance based upon updated information
- Two additional staffing positions:
 - Technical Integration Manager would focus on integration of technology into the district. This position would lead training plans for non-teaching positions while working in conjunction with the technology coaches for teacher training or identified areas of need.

- MTSS and Intervention Support secretary would support the director to meet increased demands in gifted and special education IEP requirements as well as other responsibilities.
- Reduction in expense resulting in adjusting bus driver positions to expected occupied level.
- Decrease in contingency for prior year receipts and transfers in addition to increase resulting from change in the methodology for health insurance, budgeting for a worst case scenario. These expenses would be funded from a transfer from the committed fund balance for health insurance if necessary.

Next Steps

Future budget discussions will occur at the budget hearing and regular board meeting on May 20. The final budget will be presented for approval on June 3. The budget hearing documents are included for review as well.