

State College Area School District



2024-2025 Budget Development

**State College
Area School District
January 8, 2024**

Budget Development 2024-2025

Key Budget Projection Changes – 2023-2024:

- Additional State Aid Received - \$1.89M
 - Funded two new salaries/benefits
 - Absorbed impact of increased Transportation contracts
 - Funded District-wide Facilities Master Plan
 - Dedicated funds for a transfer to Capital Reserve
- Titles Budget Amendment - \$385K
- Increase Interest on Investments - \$500K
- Decrease Realty Transfer Tax - \$400K
- Record the outcome of contract negotiations

Budget Development 2024-2025

Key Budget Projection Changes – 2024-2025:

- Increased Interest on Investments from \$1M to \$2.5M based on projected rates
- Slight change in PSERS rates as well as State Revenue for Retirement line item
- Increase Transportation contracts to record the recent impact of rate increases
- Increase the amount for Title Revenues based upon the increased allocations received – see 12/18/23 Budget Amendment
- Reduce Charter School Tuition based on Historical usage
- Increase Contingency in case Title revenue reverts to 2022-23 levels or if Charter School Tuition expense unexpectedly increases.

Projection Update - Revenue

REVENUES	Final Budget Presentation	Board Present 1/4/2024	Final 2023-24 vs 1/4/24	Variance Explanation
LOCAL SERVICES TAX				
CURRENT REAL ESTATE TAX	\$ 117,684,204	\$ 118,476,582	\$ 792,378	Change in tax rate assumption from 2% to 2.65%
REAL ESTATE TAX-REFERENDUM DEBT	\$ 4,946,210	\$ 4,946,210	\$ -	
EARNED INCOME TAX	\$ 22,420,000	\$ 22,420,000	\$ -	
REALTY TRANSFER TAX	\$ 2,500,000	\$ 2,500,000	\$ -	
DELINQUENT REAL ESTATE TAX	\$ 1,100,000	\$ 1,100,000	\$ -	
INTERIM REAL ESTATE TAX	\$ 600,000	\$ 600,000	\$ -	
IDEA-B	\$ 898,756	\$ 898,756	\$ -	
PAYMENTS IN LIEU OF TAX	\$ 647,824	\$ 647,824	\$ -	
LOCAL SERVICES TAX	\$ 420,000	\$ 420,000	\$ -	
TUITION	\$ 1,555,621	\$ 1,555,621	\$ -	
MISC LOCAL REVENUE	\$ 557,607	\$ 557,607	\$ -	
PUBLIC UTILITY REALTY TAX	\$ 117,190	\$ 117,190	\$ -	
INTEREST ON INVESTMENTS	\$ 1,000,000	\$ 2,500,000	\$ 1,500,000	Increase based on interest rate environment
TOTAL LOCAL	\$ 154,447,412	\$ 156,739,790	\$ 2,292,378	
STATE				
BASIC ED INSTR SUBSIDY	\$ 10,600,367	\$ 12,500,000	\$ 1,899,633	Additional State Subsidy
SPECIAL ED REVENUE	\$ 3,485,046	\$ 3,485,046	\$ -	
REV. FOR RETIREMENT	\$ 14,400,000	\$ 14,450,000	\$ 50,000	Impact of additional salary expense (contracts)
REV. FOR SOCIAL SECURITY	\$ 3,173,000	\$ 3,259,984	\$ 86,984	Impact of additional salary expense (contracts)
PROPERTY TAX REDUCTION	\$ 1,794,014	\$ 1,794,014	\$ -	
TRANSPORTATION REVENUE	\$ 800,000	\$ 800,000	\$ -	
BOND REIMBURSEMENTS	\$ 910,907	\$ 910,907	\$ -	
HEALTH SERVICES REVENUE	\$ 140,000	\$ 140,000	\$ -	
READY TO LEARN GRANT	\$ 310,013	\$ 310,013	\$ -	
SAFETY GRANTS	\$ -	\$ -	\$ -	
VOCATIONAL EDUCATION	\$ 226,000	\$ 226,000	\$ -	
OTHER STATE REVENUE (4)	\$ -	\$ -	\$ -	
TUITION - 1305/1306	\$ 130,000	\$ 130,000	\$ -	
TOTAL STATE	\$ 35,969,347	\$ 38,005,964	\$ 2,036,617	
FEDERAL				
TITLE I REVENUE	\$ 600,000	\$ 825,000	\$ 225,000	Increased based on amount of revenue received - see 12/18/23 budget amendment
TITLE II REVENUE	\$ 140,000	\$ 155,000	\$ 15,000	Increased based on amount of revenue received - see 12/18/23 budget amendment
ACCESS FUNDS	\$ 350,000	\$ 350,000	\$ -	
OTHER FEDERAL REVENUE (5)	\$ 110,000	\$ 120,000	\$ 10,000	Increased based on amount of revenue received - see 12/18/23 budget amendment
TITLE III REVENUE	\$ 35,000	\$ 35,000	\$ -	
TOTAL FEDERAL	\$ 1,235,000	\$ 1,485,000	\$ 250,000	
TOTAL REVENUE	\$ 191,651,759	\$ 196,230,754	\$ 4,578,995	

Projection Update - Expenses

EXPENSES	Final Budget Presentation	Board Present 1/4/2024	Final 2023-24 vs 1/4/24	Variance Explanation
Salaries	84,647,186	\$ 86,967,699	\$ 2,320,513	Increase due to outcome of union contracts & additional state funding being applied to positions
Health Insurance	17,717,801	\$ 17,837,400	\$ 119,599	Increase due to additional state funding being applied to positions
PSERS	28,800,000	\$ 28,900,000	\$ 100,000	Increase due to outcome of union contracts & additional state funding being applied to positions
Other Benefits	8,000,000	\$ 8,200,000	\$ 200,000	Increase due to outcome of union contracts & additional state funding being applied to positions
Professional Services	4,550,000	\$ 5,220,000	\$ 670,000	Increase due to additional state funding being applied to DWFMP and additional special education services
Purchased Property Services	1,380,000	\$ 1,370,000	\$ (10,000)	Decrease based on 12/18/23 budget amendment - Titles programs
Charter School Expense	6,800,000	\$ 6,190,000	\$ (610,000)	Decrease based on historical usage/expenditures for charter schools
Other Purchased Services	7,790,000	\$ 8,050,000	\$ 260,000	Increase due to increased transportation costs - contract carrier rates and additional routes
Supplies/Equipment	10,380,000	\$ 10,870,000	\$ 490,000	Increase due to additional state funding being applied to curriculum needs, student activities, & AP testing
Deferred Maintenance	2,437,992	\$ 2,437,992	\$ -	
Transfers/contingencies/fees	2,776,230	\$ 3,726,230	\$ 950,000	Increase due to a change in philosophy regarding where contingencies are held for Title Revenue & Charter Schools
Debt Service	12,218,200	\$ 12,218,200	\$ -	
Debt Service - Referendum Debt	5,258,625	\$ 5,258,625	\$ -	
Transfer to Capital Projects – DCED Grant	-----	\$ -	\$ -	
Transfer to Capital Reserve	-	\$ -	\$ -	
Fund Balance Commitment/Use (Revenue Shortfall)(2)			\$ -	
Fund Balance Commitment/Use (Debt Service)(3)	(2,349,000)	\$ (2,349,000)	\$ -	
Fund Balance Commitment/Use (Health Insurance)	805,355	\$ 891,870	\$ 86,515	Adjustment based on estimated health insurance costs
Fund Balance Use (PSERS)(6)	-----	\$ -	\$ -	
Total Expenses and Fund Balance Transfers	\$191,212,389	\$ 195,789,016	\$ 4,576,627	
Total Expense and Transfers (excl fund balance use/commitment)	\$192,756,034	\$ 197,246,146	\$ 4,490,112	

Revenue – 2.65% RE Tax Increase

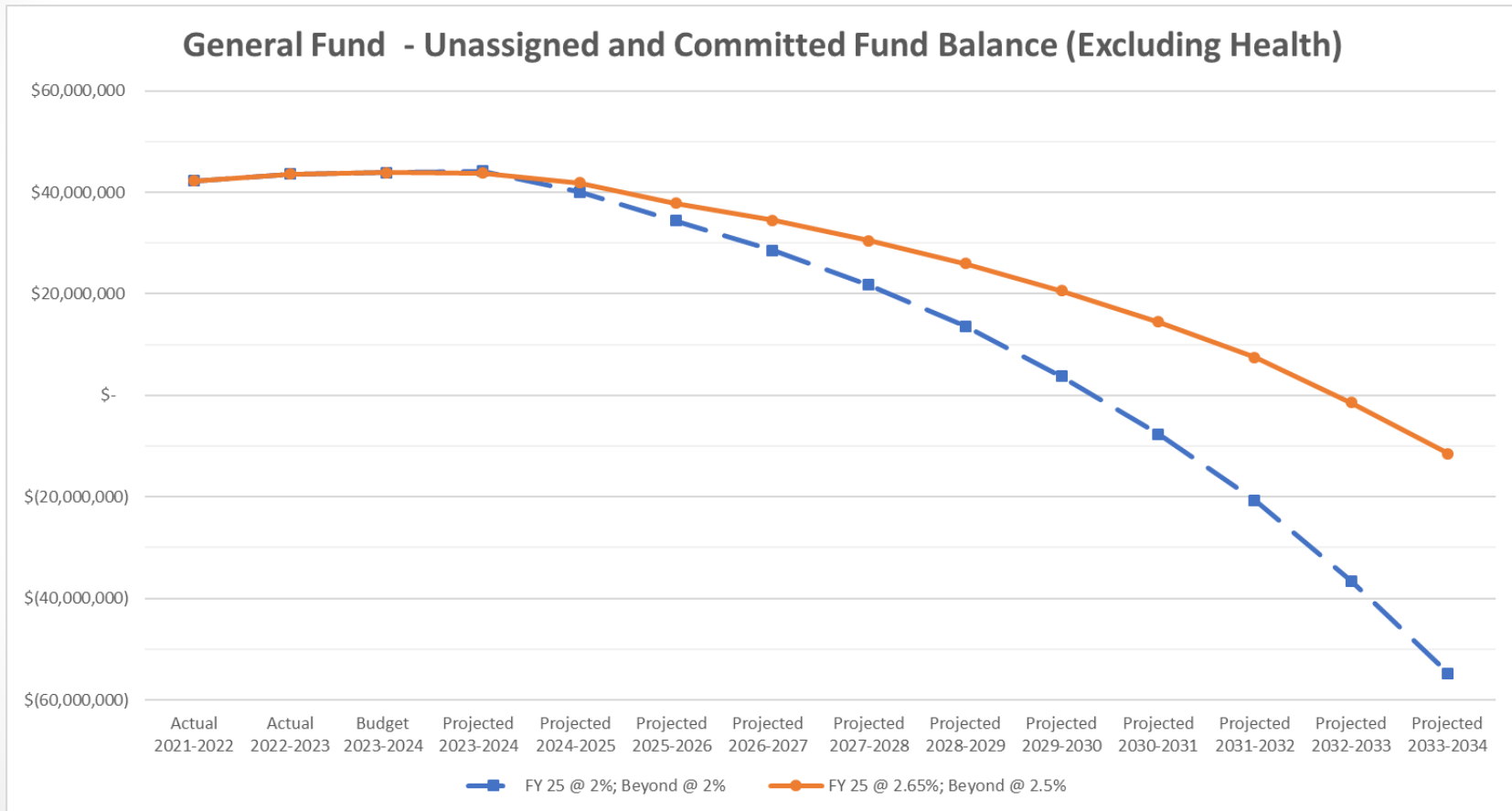
State College Area School District
General Fund Revenue
1/14/2024

	Actual 2021-2022	Budget 2022-2023	Projected 2022-2023	Actual 2022-2023	Budget 2023-2024	Projected 2023-2024	Projected 2024-2025	Projected 2025-2026	Projected 2026-2027	Projected 2027-2028	Projected 2028-2029	Projected 2029-2030	Projected 2030-2031	Projected 2031-2032	Projected 2032-2033	Projected 2033-2034
Assumptions:																
Earned Income Tax Growth (1)	9.76%	2.50%	3.70%	5.64%	2.50%	2.50%	3.00%	3.00%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Assessed Value Growth (2)	1.65%	1.20%	1.64%	1.53%	0.75%	0.75%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
Exceptions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Act 1 Index (3)	3.00%	3.40%	3.40%	3.40%	4.10%	4.10%	5.30%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Actual/Projected Total Tax Increase	0.00%	3.40%	3.40%	3.40%	4.10%	4.10%	2.65%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
LOCAL SERVICES TAX																
CURRENT REAL ESTATE TAX	103,390,767	107,366,561	108,497,686	108,544,733	113,802,355	113,802,355	118,476,582	123,148,459	127,990,799	133,015,466	138,224,958	143,628,505	149,235,876	155,050,606	161,018,545	167,210,168
REAL ESTATE TAX-REFERENDUM DEBT	4,945,269	4,944,564	4,944,564	4,944,564	4,943,388	4,943,388	4,946,210	4,943,153	4,943,623	4,942,447	4,944,093	4,945,551	4,945,081	4,946,492	4,946,445	4,945,316
EARNED INCOME TAX	20,484,199	19,610,000	21,240,000	21,638,562	21,770,000	21,770,000	22,420,000	23,090,000	23,780,000	24,490,000	25,100,000	25,730,000	26,370,000	27,030,000	27,710,000	28,400,000
REALTY TRANSFER TAX	3,233,460	2,800,000	2,800,000	3,165,321	2,800,000	2,800,000	2,400,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
DELINQUENT REAL ESTATE TAX	1,087,258	1,100,000	1,100,000	1,203,321	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
INTERIM REAL ESTATE TAX	1,584,502	600,000	315,000	348,540	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
IDEA-B	992,337	802,610	1,047,675	970,604	898,756	1,076,351	898,756	898,756	898,756	898,756	898,756	898,756	898,756	898,756	898,756	898,756
PAYMENTS IN LIEU OF TAX	637,441	674,646	647,824	650,661	647,824	647,824	647,824	647,824	647,824	647,824	647,824	647,824	647,824	647,824	647,824	647,824
LOCAL SERVICES TAX	383,996	383,000	398,000	379,885	408,000	408,000	420,000	433,000	446,000	459,000	470,000	482,000	494,000	506,000	519,000	532,000
TUITION	975,620	1,462,805	1,402,544	1,388,931	1,555,621	1,555,621	1,555,621	1,555,621	1,555,621	1,555,621	1,555,621	1,555,621	1,555,621	1,555,621	1,555,621	1,555,621
MISC LOCAL REVENUE	572,027	549,914	568,931	677,406	557,607	559,906	557,607	557,607	557,607	557,607	557,607	557,607	557,607	557,607	557,607	557,607
PUBLIC UTILITY REALTY TAX	129,570	117,190	127,972	127,972	117,190	117,190	117,190	117,190	117,190	117,190	117,190	117,190	117,190	117,190	117,190	117,190
INTEREST ON INVESTMENTS	168,121	200,000	2,600,000	3,462,444	2,500,000	3,000,000	2,500,000	1,250,000	1,000,000	500,000	500,000	450,000	400,000	350,000	300,000	250,000
TOTAL LOCAL	138,584,567	140,611,290	145,690,196	147,502,944	151,700,741	151,980,635	156,739,790	160,841,610	166,137,420	171,383,911	177,216,049	183,213,054	189,421,955	195,860,096	202,470,988	209,314,482
STATE																
BASIC ED INSTR SUBSIDY	9,039,483	9,039,487	10,600,367	10,597,444	10,600,367	12,491,571	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000
SPECIAL ED REVENUE	3,411,035	3,409,937	3,485,046	3,485,010	3,485,046	3,485,046	3,485,046	3,485,046	3,485,046	3,485,046	3,485,046	3,485,046	3,485,046	3,485,046	3,485,046	3,485,046
REV. FOR RETIREMENT	12,665,683	13,760,101	13,453,833	13,293,334	13,648,124	13,648,124	14,450,000	15,250,000	15,950,000	16,600,000	17,300,000	18,050,000	18,800,000	19,500,000	20,900,000	21,450,000
REV. FOR SOCIAL SECURITY	2,743,532	2,985,381	2,918,940	2,787,500	3,086,576	3,086,576	3,259,984	3,364,304	3,448,411	3,534,622	3,622,987	3,713,562	3,806,401	3,901,561	3,999,100	4,099,077
PROPERTY TAX REDUCTION	1,421,949	1,792,547	1,792,547	1,792,547	1,794,014	1,794,014	1,794,014	1,794,014	1,794,014	1,794,014	1,794,014	1,794,014	1,794,014	1,794,014	1,794,014	1,794,014
TRANSPORTATION REVENUE	643,838	800,000	800,000	759,734	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
BOND REIMBURSEMENTS	3,678,236	938,804	910,864	910,864	910,702	910,702	910,907	914,158	850,989	850,859	690,361	690,729	637,577	637,905	637,844	637,765
HEALTH SERVICES REVENUE	135,129	140,000	154,304	135,988	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
READY TO LEARN GRANT	310,013	310,013	310,013	310,013	310,013	310,013	310,013	310,013	310,013	310,013	310,013	310,013	310,013	310,013	310,013	310,013
SAFETY GRANTS	20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VOCATIONAL EDUCATION	250,919	196,000	266,000	270,929	226,000	226,000	226,000	226,000	226,000	226,000	226,000	226,000	226,000	226,000	226,000	226,000
OTHER STATE REVENUE (4)	41,256	-	304,010	233,421	105,190	175,779	-	-	-	-	-	-	-	-	-	-
TUITION - 1305/1306	95,236	130,000	130,000	55,145	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
TOTAL STATE	34,456,309	33,502,270	35,125,924	34,631,929	35,236,032	37,197,825	38,005,964	38,913,535	39,634,473	40,370,554	40,998,421	41,839,364	42,629,051	43,424,539	44,922,017	45,571,915
FEDERAL																
TITLE I REVENUE	627,144	600,000	652,386	639,898	600,000	888,851	825,000	825,000	825,000	825,000	825,000	825,000	825,000	825,000	825,000	825,000
TITLE II REVENUE	133,336	140,000	140,907	138,592	140,000	175,833	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000
ACCESS FUNDS	514,411	250,000	350,000	502,792	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
OTHER FEDERAL REVENUE (5)	3,319,771	1,898,993	1,990,714	2,124,051	288,858	381,604	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
TITLE III REVENUE	31,453	35,000	44,981	78,026	35,000	64,026	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
TOTAL FEDERAL	4,626,115	2,923,993	3,178,988	3,483,359	1,413,858	1,860,314	1,485,000	1,485,000	1,485,000	1,485,000	1,485,000	1,485,000	1,485,000	1,485,000	1,485,000	1,485,000
TOTAL REVENUE	177,666,991	177,037,553	183,995,108	185,618,232	188,350,631	191,038,774	196,230,754	201,240,145	207,256,893	213,239,465	219,699,470	226,537,418	233,536,006	240,769,635	248,878,005	256,371,397

Expenses

State College Area School District																	
General Fund Expenses and Fund Balance Transfers																	
1/4/2024																	
	Actual	Budget	Projected	Actual	Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	2021-2022	2022-2023	2022-2023	2022-2023	2023-2024	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2033-2034
Salaries	74,651,307	79,642,022	77,869,544	77,442,696	82,341,620	83,783,910	86,967,699	89,750,665	91,994,432	94,294,293	96,651,650	99,067,941	101,544,640	104,083,256	106,685,337	109,352,470	
Health Insurance	14,414,360	18,326,215	15,999,940	15,398,987	16,107,092	16,215,818	17,837,400	19,621,140	21,583,254	23,741,579	26,115,737	28,727,311	31,600,042	34,760,046	38,236,051	42,059,656	
PSERS	25,309,537	27,520,202	26,907,665	26,540,389	27,296,247	27,613,372	28,900,000	30,500,000	31,900,000	33,200,000	34,600,000	36,100,000	37,600,000	39,000,000	41,800,000	42,900,000	
Other Benefits	7,157,467	7,647,440	7,464,185	7,349,314	7,827,843	7,879,045	8,200,000	8,500,000	8,700,000	8,900,000	9,100,000	9,300,000	9,500,000	9,700,000	9,900,000	10,100,000	
Professional Services	3,268,113	4,296,346	4,284,226	4,022,088	4,613,244	5,272,737	5,220,000	5,310,000	5,400,000	5,490,000	5,580,000	5,820,000	5,780,000	5,880,000	5,980,000	6,080,000	
Purchased Property Services	1,954,582	1,421,940	1,421,940	1,693,448	1,361,616	1,350,514	1,370,000	1,390,000	1,410,000	1,430,000	1,450,000	1,470,000	1,490,000	1,520,000	1,550,000	1,580,000	
Charter School Expense	5,755,475	6,513,252	6,302,899	5,756,726	6,683,714	6,683,714	6,190,000	6,300,000	6,410,000	6,520,000	6,630,000	6,740,000	6,850,000	6,970,000	7,090,000	7,210,000	
Other Purchased Services	6,820,794	7,435,132	7,577,695	7,086,114	7,711,689	8,011,689	8,200,000	8,340,000	8,480,000	8,620,000	8,770,000	8,920,000	9,070,000	9,220,000	9,380,000	9,540,000	
Supplies/Equipment	7,801,185	8,635,038	9,136,371	8,918,811	10,871,498	11,300,703	10,820,000	10,900,000	10,980,000	11,060,000	11,150,000	11,340,000	11,530,000	11,730,000	11,930,000	12,130,000	
Deferred Maintenance	2,300,000	2,343,321	2,343,321	2,343,321	2,390,188	2,390,188	2,437,992	2,486,752	2,536,487	2,587,217	2,638,961	2,691,740	2,745,575	2,800,487	2,856,497	2,913,627	
Transfers/contingencies/fees	463,149	1,361,870	1,010,691	419,739	2,453,559	1,303,559	3,626,230	3,669,754	3,714,149	3,759,432	3,805,621	3,852,733	3,900,787	3,949,802	3,999,798	4,050,794	
Debt Service	7,415,475	7,360,250	12,216,550	12,216,550	12,218,800	12,218,800	12,218,200	12,215,425	11,181,600	11,181,850	8,634,075	8,635,950	7,464,825	7,467,388	7,470,225	7,472,213	
Debt Service - Referendum Debt	5,257,625	5,256,875	5,256,875	5,256,875	5,255,625	5,255,625	5,258,625	5,255,375	5,255,875	5,254,625	5,256,375	5,257,925	5,257,425	5,258,925	5,258,875	5,257,675	
Transfer to Capital Projects - DCED Grant		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer to Capital Reserve (1)	6,960,000	2,513,370	4,153,586	9,000,000	-	691,204	-	-	-	-	2,547,775	2,545,900	3,717,025	3,714,462	3,711,625	3,709,637	
Fund Balance Commitment/Use (Revenue Shortfall)(2)		(3,974,900)	(24,472,600)	(24,472,600)	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance Commitment/Use (Debt Service)(3)			27,389,041	27,389,041	-	-	(2,349,000)	(2,984,000)	(3,001,000)	(3,731,000)	(4,359,000)	(4,852,925)	(4,846,925)	(1,265,191)	-	-	
Fund Balance Commitment/Use (Health Insurance) (4)	7,200,000		792,790	792,790	799,997	925,910	891,870	981,057	1,079,163	1,187,079	1,305,787	1,436,365	1,580,002	1,738,003	1,911,802	2,102,983	
Fund Balance Use (PSERS)(5)		(396,159)	(2,640,414)	(2,640,414)	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenses and Fund Balance Transfers	\$176,729,069	\$175,902,214	\$183,014,305	\$184,513,875	\$187,932,732	\$190,896,788	\$195,789,016	\$202,236,168	\$207,623,960	\$213,495,075	\$219,876,981	\$227,052,940	\$234,783,396	\$246,527,178	\$257,760,210	\$266,459,055	
Total Expense and Transfers (excl fund balance use/commitment)	\$169,529,069	\$180,273,273	\$181,945,488	\$183,445,058	\$187,132,735	\$189,970,878	\$197,246,146	\$204,239,111	\$209,545,797	\$216,038,996	\$222,930,194	\$230,469,500	\$238,050,319	\$246,054,366	\$255,848,408	\$264,356,072	

Impact on Fund Balance – 12/4/23 vs 1/8/24



Questions

State College Area School District

