



STATE COLLEGE AREA SCHOOL DISTRICT

Office of Finance and Operations

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To: Board of Directors  
 From: Curtis Johnson, Randy Brown and Joseph Viglione  
 Date: January 4, 2024  
 Subject: 2024-2025 Budget Development

Following Board approval of the Accelerated Budget Opt Out resolution (resolution) approved in December 2023 for the 2024-2025 Budget, the administration will present updates to the budget proposal including the current, budget and projection years.

Current year (2023-2024) budget projection changes include:

- Additional state subsidy received in the amount of \$1.89 million which:
  - Funded two new salaried positions plus benefits
  - Absorbed impact of increased transportation provider contracts
  - Funded districtwide facilities master plan costs
  - Dedicated additional funds for a transfer to the capital reserve fund
- Title grant budget amendment in the amount of \$385,000
- Increase in interest on investments in the amount of \$500,000
- Decrease in realty transfer tax revenue in the amount of \$400,000
- Recorded the outcome of contract negotiations

Budget (2024-2025) projection changes include:

- Increase in interest on investments from \$1 million to \$2.5 million based on projected rates
- Slight change in PSERS reimbursement rates impact the Revenue for Retirement
- Increase in transportation contracts to record the recent impact of rate increases
- Increase in the amount for Title Revenues based upon the increased allocations for 2023-2024
- Reduced charter school tuition based upon historical experience
- Increase in contingency to offset Title and charter school expense
- Real estate tax increase @ 2.65% in 2024-2025 and 2.50% in the remaining years

The multi-year revenue and expense projections, provided in the presentation, reflect these changes. The real estate tax rate has been projected at 2.65% and 2.50% in response to concerns related to inflationary pressures on our expenses continuing during the next fiscal year. A comparison of fund balance assuming these rates and the 2.0% rates used in prior discussions is included as well.

Future presentations will include discussion of the various revenue and expense components and related drivers impacting the budget. The budget development calendar can be found on our [business and finance website](#).