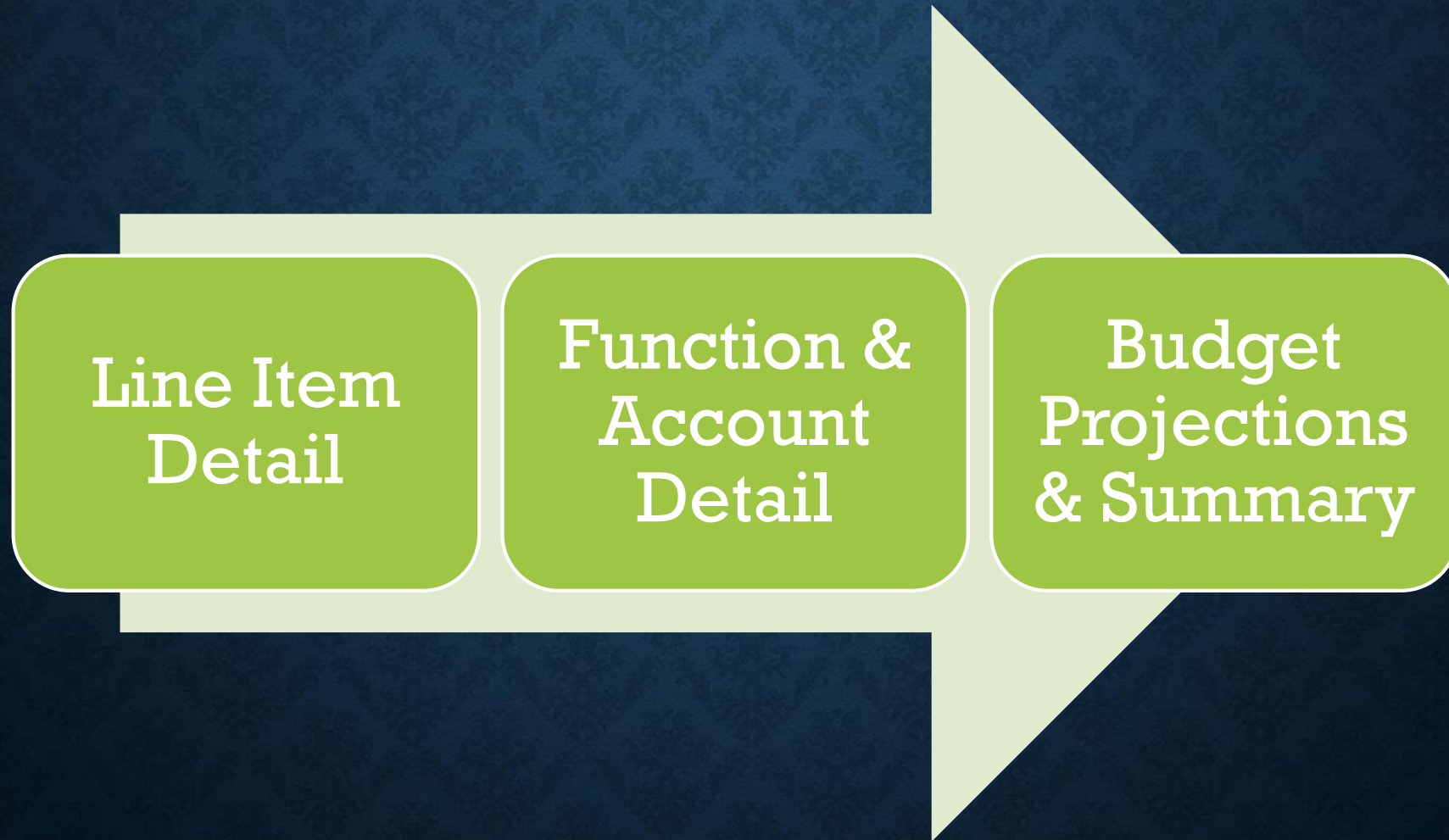


BUDGET UPDATE

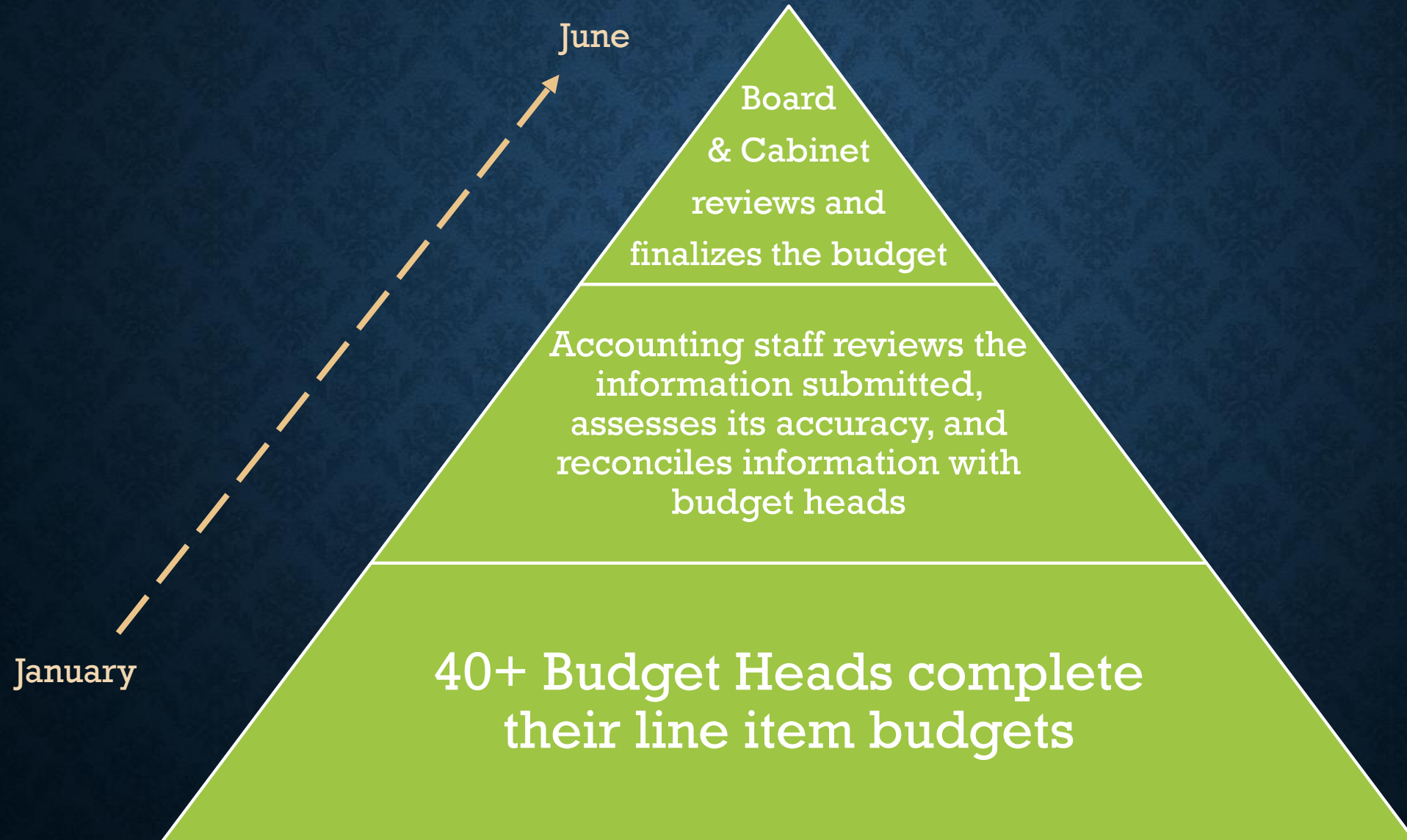
February 3, 2025 Board Meeting

What To Expect in the Budget Process



COMPILATION OF DATA

- Line Item Detail
 - Significant involvement of accounting and departmental staff
 - Labor intensive
 - Sets the foundation for the overall budget
- Function & Account Detail
 - Significant involvement of accounting and cabinet staff
 - Attempts to align available resources with desired outcomes/effort
 - Building block for the overall budget
- Budget Projections & Summary
 - Significant involvement of cabinet and board
 - Assigns resources to fit within the overall strategy of the District
 - Finalizes a complete and responsible budget for the District and community it serves



WHAT ARE THE KEY DOCUMENTS

Internal Documents/Resources

- Personnel Budgeting module in eFinance
- Detailed Budgets for Budget Heads
- Position Control & Staffing Reports
- eFinance System
- Projection Master Spreadsheet (10-year budget projection)

Board Documents

- Projection Master Spreadsheet (10-year budget projection)
- Board Presentations over the course of the budget development
- Budget Matrix Spreadsheet

GOALS OF EACH BOARD DOCUMENT

- Projection Master
 - Longer term view of the impact of the budget on the District's long term financial viability
 - Shows the cause and effect relationship of decisions
- Board Presentation
 - Keeps the board and public informed of the status of the budget being developed
 - Allows the board and public to offer thoughts, priorities, and feedback to staff
- Budget Matrix
 - Provides an organized view of the budget from a function and account perspective
 - Organizes total effort (expenditures) in an easily digestible format

BUDGET MATRIX SPREADSHEET (24-25 BUDGET)

State College Area School District 2024.25 Proposed Final Budget		A	B	C	D	E	F	G	H	I	J	K
	Function	Salaries	Benefits	Professional Services	Purchased Property Services	Charter School	Other Purchased Services	Supplies/ Equip	Other Exp & Financing Uses	Total Expense	2024-25 % of Total Budget	2023-24 % of Total Budget
	Instructional											
	Regular Instructional											
1	Regular Programs	\$44,656,235	\$27,643,152	\$56,041	\$26,892	\$4,391,602	\$492,081	\$1,005,670	\$40,489	\$78,312,160		
2	Federally Funded Regual Prog	650,115	396,742	1,000	-	-	-	39,198	-	1,087,056		
3	Total Regular Instructional	45,306,350	28,039,894	57,041	26,892	4,391,602	492,081	1,044,868	40,489	79,399,215	39%	39%
4	Other Instructional											
5	Vocational Educ	2,469,779	1,616,906	19,500	6,800	-	57,000	338,860	18,915	4,527,760		
6	Other Programs	1,860,817	1,192,375	78,510	-	-	95,269	118,310	95,009	3,440,290		
7	Total Other Instructional	4,330,596	2,809,281	98,010	6,800	-	152,269	457,170	113,924	7,968,050	4%	4%
8												
9	Special Programs- Elem/Sec											
10	Life Skills Support- Public	268,792	152,758	-			-	6,800	-	428,349		
11	Deaf or Hearing Impaired Support	159,205	93,042	-			1,650	300	-	254,196		
12	Blind or Visually Impaired Support	155,499	155,628	-	1,500		1,720	4,300		318,647		
13	Speech and Language Support	972,204	652,825	-			5,323	18,000	325	1,648,677		
14	Emotional Support-Public	520,264	325,039	-			829,704	5,700		1,680,707		
15	Autistic Support	3,121,100	2,418,022	-			665,531	13,100	-	6,217,753		
16	Learning Support- Public	5,798,356	4,508,814	3,500	36,200		76,241	132,802	3,600	10,559,512		
17	Gifted Support	1,313,744	818,656	1,000			2,990	22,725	3,550	2,162,665		
18	Multi-Handicapped Support	379,207	430,982					400		810,590		
19	Special Programs- Other Support	260,908	141,753	60,600	200	2,133,398	250,500	82,000	-	2,929,359		
20	Total Special Programs	12,949,277	9,697,519	65,100	37,900	2,133,398	1,833,659	286,127	7,475	27,010,456	13%	13%
21												
22	Support Services											
23	Support Services - Students	4,655,116	3,151,955	279,115	175	-	20,700	94,945	2,000	8,204,005		
24	Support Services - Instr Staff	3,207,058	2,354,864	211,605	3,000	-	115,590	702,557	20,200	6,614,874		
25	Support Services - Admin	5,874,222	3,724,997	769,400	19,450	-	64,409	160,656	168,520	10,781,654		
26	Support Services - Pupil Health	1,377,942	1,026,419	714,350	1,695	-	200	57,870	-	3,178,477		
27	Support Services - Business	951,581	615,938	342,715	-	-	47,314	139,550	6,950	2,104,048		
28	Oper of Main of Plant Serv	4,710,537	3,560,529	1,340,204	1,231,500	-	563,064	3,032,500	10,500	14,448,835		
29	Student Transportation Serv	1,597,117	1,176,582	10,168	55,027	-	4,412,610	666,887	840	7,919,232		
30	Support Services - Central	2,353,760	1,692,534	376,840	54,300	-	501,358	3,753,947	54,050	8,786,789		
31	Total Support Services	24,727,333	17,303,818	4,044,397	1,365,147	-	5,725,245	8,608,912	263,060	62,037,912	31%	31%
32												
33	Non-instructional (i.e Student Activities/Athletics/Comm ed)	1,526,727	782,728	679,614	39,850	-	69,148	486,326	75,025	3,659,419	2%	2%
34												
35	Other Expenditures & Financing Uses											
36	Other	-	-	-	-	-	-	-	235,000	235,000		
37	Debt Service Transfer	-	-	-	-	-	-	-	12,218,200	12,218,200		
38	Debt Service- Referendum	-	-	-	-	-	-	-	5,258,625	5,258,625		
39	Deferred Maintenance Transfer	-	-	-	-	-	-	-	2,437,992	2,437,992		
40	Food Service Transfer	-	-	-	-	-	-	-	-	-		
41	Capital Reserve Transfer	-	-	-	-	-	-	-	-	-		
42	Budgetary Reserve	-	-	-	-	-	-	-	2,346,000	2,346,000		
43	Total Other Exp & Financing Uses	-	-	-	-	-	-	-	22,495,817	22,495,817	11%	12%
44												
45	Total 2024-25 Budget	88,840,284	\$58,633,240	\$4,944,162	\$1,476,588	\$6,525,000	\$8,272,402	\$10,883,403	\$22,995,790	\$202,570,870	100%	100%
46												
47	2024-25 % of Total Budget	44%	29%	2%	1%	3%	4%	5%	11%	100%		
48	2023-24 % of Total Budget	44%	27%	2%	1%	4%	4%	6%	12%	100%		

CURRENT YEAR FINANCIAL UPDATE

- Budget Amendments over \$100,000 Passed to Date This Year:
 - IDEA Grant - \$122,709 (Salaries and Benefits)
 - PCCD Grant - \$228,146 (Safety and Technology Supplies)
 - Two PHEAA Grants - \$250,000 (Student Teacher Stipends)
 - Title I-IV - \$117,342 (Salaries, Benefits, and Professional Services)
- Assumption Changes – Trending Positively As Compared to the 2024-25 Budget
 - August – Increased State Aid = +\$1.6M
 - Increased Interest on Investments = +\$1.5M
 - Reduced Contingency & Committed Fund Balance Usage for Health Insurance \$3.15M
 - Increased Realty Transfer Tax (\$500,000) and Interim Real Estate Tax (\$400,000)
 - Decreased Delinquent Property Tax (\$350,000) and Local Services Tax (\$60,000)
- Financial Documents on Following Slides Only Through 2024-25 Projected. The Full 10 Year Projection Will Be Shared Once the 2025-26 Budgets Are Compiled and Assessed.

FINANCIAL UPDATE – FY 2024-25 CHANGES

REVENUES	Final Budget Presentation	Board Present 2/3/25								Final 2024-25 vs 2/8/25	Variance Explanation
LOCAL SERVICES TAX											
CURRENT REAL ESTATE TAX	\$ 118,111,748	\$ 118,111,748								\$ -	
REAL ESTATE TAX-REFERENDUM DEBT	\$ 4,946,210	\$ 4,946,210								\$ -	
EARNED INCOME TAX	\$ 22,660,000	\$ 22,660,000								\$ -	
REALTY TRANSFER TAX	\$ 2,500,000	\$ 3,000,000								\$ 500,000	Trending as of December 31, 2024
DELINQUENT REAL ESTATE TAX	\$ 1,100,000	\$ 750,000								\$ (350,000)	Trending as of December 31, 2024
INTERIM REAL ESTATE TAX	\$ 600,000	\$ 1,000,000								\$ 400,000	Trending as of December 31, 2024
IDEA-B	\$ 918,756	\$ 1,041,465								\$ 122,709	Budget Amendment - September 9, 2024
PAYMENTS IN LIEU OF TAX	\$ 647,824	\$ 647,824								\$ -	
LOCAL SERVICES TAX	\$ 420,000	\$ 360,000								\$ (60,000)	Trending as of December 31, 2024
TUITION	\$ 1,950,991	\$ 1,950,991								\$ -	
MISC LOCAL REVENUE	\$ 534,800	\$ 535,995								\$ 1,195	Budget Amendment - January 13, 2025
PUBLIC UTILITY REALTY TAX	\$ 117,190	\$ 117,190								\$ -	
INTEREST ON INVESTMENTS	\$ 3,000,000	\$ 4,500,000								\$ 1,500,000	Increase based on interest rate environment
TOTAL LOCAL	\$ 157,507,519	\$ 159,621,423								\$ 2,113,904	
STATE											
BASIC ED INSTR SUBSIDY	\$ 12,500,000	\$ 13,776,429								\$ 1,276,429	Additional State Subsidy
SPECIAL ED REVENUE	\$ 3,485,046	\$ 3,655,188								\$ 170,142	Additional State Subsidy
REV. FOR RETIREMENT	\$ 14,732,199	\$ 14,732,199								\$ -	
REV. FOR SOCIAL SECURITY	\$ 3,330,793	\$ 3,330,793								\$ -	
PROPERTY TAX REDUCTION	\$ 2,169,431	\$ 2,169,431								\$ -	
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								\$ -	
VOCATIONAL EDUCATION	\$ 226,000	\$ 264,965								\$ 38,965	Additional State Subsidy
OTHER STATE REVENUE (4)	\$ 231,714	\$ 914,680								\$ 682,966	Additional State Subsidy
TUITION - 1305/1306	\$ 130,000	\$ 130,000								\$ -	
TOTAL STATE	\$ 38,966,103	\$ 41,134,605								\$ 2,168,502	
FEDERAL											
TITLE I REVENUE	\$ 825,000	\$ 857,655								\$ 32,655	Budget Amendment - December 2, 2024
TITLE II REVENUE	\$ 155,000	\$ 167,209								\$ 12,209	Budget Amendment - December 2, 2024
ACCESS FUNDS	\$ 350,000	\$ 381,092								\$ 31,092	Budget Amendment - December 2, 2024
OTHER FEDERAL REVENUE (5)	\$ 110,000	\$ 174,806								\$ 64,806	Budget Amendment - December 2, 2024
TITLE III REVENUE	\$ 35,000	\$ 35,000								\$ -	
TOTAL FEDERAL	\$ 1,475,000	\$ 1,615,762								\$ 140,762	
TOTAL REVENUE	\$ 197,948,622	\$ 202,371,790								\$ 4,423,168	

FINANCIAL UPDATE – FY 2024-25 CHANGES

EXPENSES	Final Budget Presentation	Board Present 2/3/25								Final 2024-25 vs 2/8/25	Variance Explanation
Salaries	88,856,677	\$ 88,992,221								\$ 135,544	Increase due to budget amendments for IDEA & Title funding - September 9 & December 2, 2024
Health Insurance	21,500,000	\$ 21,526,818								\$ 26,818	Increase due to budget amendments for IDEA & Title funding - September 9 & December 2, 2024
PSERS	29,464,397	\$ 29,464,397								\$ -	
Other Benefits	8,674,970	\$ 8,674,970								\$ -	
Professional Services	4,944,162	\$ 5,277,759								\$ 333,597	Increase due to budget amendments for PHEAA & Title funding
Purchased Property Services	1,476,589	\$ 1,476,589								\$ -	
Charter School Expense	6,525,000	\$ 6,525,000								\$ -	
Other Purchased Services	8,272,402	\$ 8,272,402								\$ -	
Supplies/Equipment	10,883,403	\$ 11,217,003								\$ 333,600	Increase due to multiple budget amendment - the largest being PCCD (\$228K) and Competitive Equipment (\$75K)
Deferred Maintenance	2,437,992	\$ 2,437,992								\$ -	
Transfers/contingencies/fees	5,095,973	\$ 1,945,973								\$ (3,150,000)	Decrease due to Health Insurance Experience trending to budgeted amount as of January 31, 2025
Debt Service	12,218,200	\$ 12,218,200								\$ -	
Debt Service - Referendum Debt	5,258,625	\$ 5,258,625								\$ -	
Transfer to Capital Reserve	-	\$ 2,103,610								\$ 2,103,610	A Capital Transfer is anticipated due to higher state aid being received as well as increased interest on investments
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)	(3,150,000)	\$ -								\$ 3,150,000	Removal due to Health Insurance Experience trending to budgeted amount as of January 31, 2025
Fund Balance Use (PSERS)(5)	-	\$ -								\$ -	
Total Expenses and Fund Balance Transfers	\$200,109,390	\$ 203,042,559								\$ 2,933,169	
Total Expense and Transfers (excl fund balance use/commitment)	\$205,608,390	\$ 205,391,559								\$ (216,831)	

FINANCIAL UPDATE – FY 2024-25 CHANGES

State College Area School District		Merged "Fund bal summary" into "SUMMARY"					
General Fund Activity							
1/29/2025							
			-		-	-	
		Actual 2022-2023	Budget 2023-2024	Projected 2023-2024	Actual 2023-2024	Budget 2024-2025	Projected 2024-2025
Beginning Fund Balance		\$13,429,482	\$14,410,285	\$14,572,224	\$14,572,224	\$14,769,652	\$14,562,903
Revenue		185,618,232	188,350,631	194,084,415	195,234,993	197,948,622	202,371,790
Local		147,502,944	151,700,741	154,910,635	155,791,769	157,507,519	159,621,423
State		34,631,929	35,236,032	37,307,259	37,436,710	38,966,103	41,134,605
Federal		3,483,359	1,413,858	1,866,521	2,006,514	1,475,000	1,615,762
Expense and transfers (excluding use of fund balance)		183,445,058	187,132,735	193,886,987	193,517,640	205,608,390	205,391,559
Revenue less expense		2,173,174	1,217,896	197,428	1,717,353	(7,659,768)	(3,019,769)
Funding/(Use) of Committed Fund Balance (Revenue Shortfall)		(24,472,600)	-	-	-	-	-
Funding/(Use) of Committed Fund Balance (Debt Service)		27,389,041	-	-	-	(2,349,000)	(2,349,000)
Funding/(Use) of Committed Fund Balance (Health Insurance)		792,790	799,997	-	1,400,000	(3,150,000)	-
(Use) of Committed Fund Balance (PSERS/Legal Liability)		(2,640,414)	-	-	-	-	-
Incr (Decr) in Assigned Fund Balance		1,068,817	799,997	-	1,400,000	(5,499,000)	(2,349,000)
Change in non-spendable Fund Balance		37,276			(340,244)		
Change in enterprise Fund Balance		1,109			13,570		
Change in Unassigned General Fund Balance		1,142,742	417,899	197,428	(9,321)	(2,160,768)	(670,769)
Ending Unassigned Fund Balance		\$14,572,224	\$14,828,184	\$14,769,652	\$14,562,903	\$12,608,884	\$13,892,134

FINANCIAL UPDATE – FY 2024-25 CHANGES

State College Area School District General Fund Revenue 1/29/2025							-
Assumptions:							-
Earned Income Tax Growth (1)	5.64%	2.50%	2.50%	2.50%	3.00%	3.00%	
Assessed Value Growth (2)	1.53%	0.75%	0.75%	0.75%	1.20%	1.20%	
Exceptions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Act 1 Index (3)	3.40%	4.10%	4.10%	4.10%	5.30%	5.30%	
Actual/Projected Total Tax Increase	3.40%	4.10%	4.10%	4.10%	2.65%	2.65%	
	Actual 2022-2023	Budget 2023-2024	Projected 2023-2024	Actual 2023-2024	Budget 2024-2025	Projected 2024-2025	
LOCAL SERVICES TAX							
CURRENT REAL ESTATE TAX	108,544,733	113,802,355	113,802,355	114,061,485	118,111,748	118,111,748	
REAL ESTATE TAX-REFERENDUM DEBT	4,944,564	4,943,388	4,943,388	4,943,388	4,946,210	4,946,210	
EARNED INCOME TAX	21,638,562	21,770,000	22,000,000	22,403,264	22,660,000	22,660,000	
REALTY TRANSFER TAX	3,165,321	2,800,000	2,400,000	2,555,626	2,500,000	3,000,000	
DELINQUENT REAL ESTATE TAX	1,203,321	1,100,000	1,100,000	1,137,565	1,100,000	750,000	
INTERIM REAL ESTATE TAX	348,540	600,000	600,000	322,589	600,000	1,000,000	
IDEA-B	970,604	898,756	1,076,351	1,074,369	918,756	1,041,465	
PAYMENTS IN LIEU OF TAX	650,661	647,824	647,824	675,407	647,824	647,824	
LOCAL SERVICES TAX	379,885	408,000	408,000	374,634	420,000	360,000	
TUITION	1,388,931	1,555,621	1,555,621	1,612,462	1,950,991	1,950,991	
MISC LOCAL REVENUE	677,406	557,607	559,906	726,311	534,800	535,995	
PUBLIC UTILITY REALTY TAX	127,972	117,190	117,190	120,857	117,190	117,190	
INTEREST ON INVESTMENTS	3,462,444	2,500,000	5,700,000	5,783,812	3,000,000	4,500,000	
TOTAL LOCAL	147,502,944	151,700,741	154,910,635	155,791,769	157,507,519	159,621,423	
STATE							
BASIC ED INSTR SUBSIDY	10,597,444	10,600,367	12,491,571	12,490,613	12,500,000	13,776,429	
SPECIAL ED REVENUE	3,485,010	3,485,046	3,485,046	3,536,977	3,485,046	3,655,188	
REV. FOR RETIREMENT	13,293,334	13,648,124	13,648,124	13,836,988	14,732,199	14,732,199	
REV. FOR SOCIAL SECURITY	2,787,500	3,086,576	3,086,576	3,018,260	3,330,793	3,330,793	
PROPERTY TAX REDUCTION	1,792,547	1,794,014	1,794,014	1,794,014	2,169,431	2,169,431	
TRANSPORTATION REVENUE	759,734	800,000	800,000	872,458	800,000	800,000	
BOND REIMBURSEMENTS	910,864	910,702	910,702	910,702	910,907	910,907	
HEALTH SERVICES REVENUE	135,988	140,000	140,000	136,976	140,000	140,000	
READY TO LEARN GRANT	310,013	310,013	310,013	310,013	310,013	310,013	
VOCATIONAL EDUCATION	270,929	226,000	335,434	236,414	226,000	264,965	
OTHER STATE REVENUE (4)	233,421	105,190	175,779	175,779	231,714	914,680	
TUITION - 1305/1306	55,145	130,000	130,000	117,516	130,000	130,000	
TOTAL STATE	34,631,929	35,236,032	37,307,259	37,436,710	38,966,103	41,134,605	
FEDERAL							
TITLE I REVENUE	639,898	600,000	890,704	867,040	825,000	857,655	
TITLE II REVENUE	138,592	140,000	176,959	157,447	155,000	167,209	
ACCESS FUNDS	502,792	350,000	350,000	499,231	350,000	381,092	
OTHER FEDERAL REVENUE (5)	2,124,051	288,858	381,604	434,923	110,000	174,806	
TITLE III REVENUE	78,026	35,000	67,254	47,873	35,000	35,000	
TOTAL FEDERAL	3,483,359	1,413,858	1,866,521	2,006,514	1,475,000	1,615,762	
TOTAL REVENUE	185,618,232	188,350,631	194,084,415	195,234,993	197,948,622	202,371,790	

FINANCIAL UPDATE – FY 2024-25 CHANGES

State College Area School District							
General Fund Expenses and Fund Balance Transfers							
1/29/2025							
							\$0
						-	
		Actual 2022-2023	Budget 2023-2024	Projected 2023-2024	Actual 2023-2024	Budget 2024-2025	Projected 2024-2025
Salaries		77,442,696	82,341,620	83,783,910	83,100,155	88,856,677	88,992,221
Health Insurance		15,398,987	16,107,092	21,100,000	19,727,923	21,500,000	21,526,818
PSERS		26,540,389	27,296,247	27,613,372	27,667,188	29,464,397	29,464,397
Other Benefits		7,349,314	7,827,843	7,879,045	7,993,835	8,674,970	8,674,970
Professional Services		4,022,088	4,613,244	5,276,125	4,756,246	4,944,162	5,277,759
Purchased Property Services		1,693,448	1,361,616	1,350,514	1,817,196	1,476,589	1,476,589
Charter School Expense		5,756,726	6,683,714	6,100,000	5,907,398	6,525,000	6,525,000
Other Purchased Services		7,086,114	7,711,689	8,011,689	7,001,894	8,272,402	8,272,402
Supplies/Equipment		8,918,811	10,871,498	11,112,956	9,729,995	10,883,403	11,217,003
Deferred Maintenance		2,343,321	2,390,188	2,390,188	2,390,188	2,437,992	2,437,992
Transfers/contingencies/fees		419,739	2,453,559	1,203,559	709,993	5,095,973	1,945,973
Debt Service		12,216,550	12,218,800	12,218,800	12,218,800	12,218,200	12,218,200
Debt Service - Referendum Debt		5,256,875	5,255,625	5,255,625	5,255,625	5,258,625	5,258,625
Transfer to Capital Reserve (1)		9,000,000	-	591,204	5,241,204	-	2,103,610
Fund Balance Commitment/Use (Revenue Shortfall)		(24,472,600)	-	-	-	-	-
Fund Balance Commitment/Use (Debt Service)		27,389,041	-	-	-	(2,349,000)	(2,349,000)
Fund Balance Commitment/Use (Health Insurance)		792,790	799,997	-	1,400,000	(3,150,000)	-
Fund Balance Use (PSERS)		(2,640,414)	-	-	-	-	-
Total Expenses and Fund Balance Transfers		\$184,513,875	\$187,932,732	\$193,886,987	\$194,917,640	\$200,109,390	\$203,042,559
Total Expense and Transfers (excl fund balance use/commitment)		\$183,445,058	\$187,132,735	\$193,886,987	\$193,517,640	\$205,608,390	\$205,391,559

2025-26 BUDGET – REAL ESTATE TAX RATE

- Staff is recommending that the zero percent increase be dropped from consideration
 - Expenses are growing at a faster rate than the real estate tax assessed value growth.
 - The real estate assessed value growth assumption has been reduced from 1.2% to 0.9% due to increased high dollar value appeals based on conversations with Centre County.
 - Uncertainty surrounding future Federal and State Funding.
 - The projected fund balance cliff that needs to be managed prospectively rather than retroactively.

