

Budget Update

March 3, 2025 Board Meeting

Key Changes Since Original Budget

▶ Increased Projected Interest on Investments:

- ▶ In General Fund (Fund 10) - Increased 2024-25 revenue by \$1.5M from \$3M to \$4.5M
- ▶ In General Fund (Fund 10) - Increased 2025-26 revenue by \$1M from \$1.25M to \$2.25M
- ▶ In Capital Reserve Fund (Fund 22) - Increased 2024-25 revenue from \$1.45M to \$3M

▶ Increased State Aid

- ▶ Increased 2024-25 amount by \$1.6M with the passage of the state budget in September.
- ▶ Increased 2025-26 and beyond by \$700K to reflect the governor's proposed 2025-26 budget.

▶ Other Key Changes Based on Activity through January 2025

- ▶ Realty Transfer Tax increased by \$500,000 in 2024-25
- ▶ Contingency for Health Insurance and use of reserve have been removed for 2024-25
- ▶ A transfer to Capital Reserve has been contemplated based on increased State Aid
- ▶ Budget Amendments totaling \$836,000 are included in 2024-25 Projections

General Fund - Fund Balance Rollforward

State College Area School District	Merged "Fund bal summary" into "SUMMARY"															
General Fund Activity																
3/3/2025																
		-			-	-	-	-	-	-	-	-	-	-	-	-
	Actual 2022-2023	Budget 2023-2024	Projected 2023-2024	Actual 2023-2024	Budget 2024-2025	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	Projected 2034-2035
Beginning Fund Balance	\$13,429,482	\$14,410,285	\$14,572,224	\$14,572,224	\$14,769,652	\$14,562,903	\$13,944,310	\$12,753,738	(\$3,666,575)	(\$22,909,715)	(\$36,883,563)	(\$58,157,614)	(\$82,139,424)	(\$107,861,735)	(\$145,140,117)	(\$186,802,963)
Revenue	185,618,232	188,350,631	194,084,415	195,234,993	197,948,622	202,430,466	206,300,256	210,612,141	215,713,184	221,084,929	226,698,390	232,452,459	238,359,225	244,657,005	251,510,211	257,723,041
Local	147,502,944	151,700,741	154,910,635	155,791,769	157,507,519	159,680,099	163,729,111	167,022,405	171,197,609	175,886,725	180,654,363	185,563,742	190,619,893	195,814,939	201,162,859	206,717,617
State	34,631,929	35,236,032	37,307,259	37,436,710	38,966,103	41,134,605	41,096,145	42,114,736	43,040,575	43,723,204	44,569,027	45,413,717	46,264,332	47,367,066	48,872,352	49,530,424
Federal	3,483,359	1,413,858	1,866,521	2,006,514	1,475,000	1,615,762	1,475,000	1,475,000	1,475,000	1,475,000	1,475,000	1,475,000	1,475,000	1,475,000	1,475,000	1,475,000
Expense and transfers (excluding use of fund balance)	183,445,058	187,132,735	193,886,987	193,517,640	205,608,390	205,398,059	214,022,328	222,811,562	231,465,431	244,139,500	247,859,688	256,315,515	271,631,340	275,326,069	286,563,739	305,010,559
Revenue less expense	2,173,174	1,217,896	197,428	1,717,353	(7,659,768)	(2,967,593)	(7,722,072)	(12,199,421)	(15,752,247)	(23,054,571)	(21,161,298)	(23,863,056)	(33,272,115)	(30,669,064)	(35,053,528)	(47,287,518)
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)	(2,984,000)	(3,001,000)	(3,731,000)	(4,359,000)	(4,852,925)	(4,846,925)	(1,265,191)	-	-	-
Funding/(Use) of Committed Fund Balance (Health Insurance)	792,790	799,997	-	1,400,000	(3,150,000)	-	(3,547,500)	7,221,892	7,221,893	(4,721,723)	4,965,678	4,965,679	(6,284,613)	6,609,318	6,609,318	(8,364,820)
(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)	(6,531,500)	4,220,892	3,490,893	(9,080,723)	112,753	118,754	(7,549,804)	6,609,318	6,609,318	(8,364,820)
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)	(618,593)	(1,190,572)	(16,420,313)	(19,243,140)	(13,973,848)	(21,274,051)	(23,981,810)	(25,722,311)	(37,278,382)	(41,662,846)	(38,922,698)
Ending Unassigned Fund Balance	\$14,572,224	\$14,828,184	\$14,769,652	\$14,562,903	\$12,608,884	\$13,944,310	\$12,753,738	(\$3,666,575)	(\$22,909,715)	(\$36,883,563)	(\$58,157,614)	(\$82,139,424)	(\$107,861,735)	(\$145,140,117)	(\$186,802,963)	(\$225,725,661)

General Fund - Revenue (RE Tax of 4%)

State College Area School District General Fund Revenue 3/3/2025																	
Assumptions:																	
Earned Income Tax Growth (1)	5.64%	2.50%	2.50%	2.50%	3.00%	3.00%	3.00%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Assessed Value Growth (2)	1.53%	0.75%	0.75%	0.75%	1.20%	1.20%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
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%	0.00%
Act 1 Index (3)	3.40%	4.10%	4.10%	4.10%	5.30%	5.30%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Actual/Projected Total Tax Increase	3.40%	4.10%	4.10%	4.10%	2.65%	2.65%	4.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
	Actual 2022-2023	Budget 2023-2024	Projected 2023-2024	Actual 2023-2024	Budget 2024-2025	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	Projected 2034-2035	
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	124,280,512	128,112,336	132,057,716	136,115,186	140,291,366	144,591,215	149,014,955	153,569,048	158,257,097	163,080,855	
REAL ESTATE TAX-REFERENDUM DEBT	4,944,564	4,943,388	4,943,388	4,943,388	4,946,210	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	4,945,316	
EARNED INCOME TAX	21,638,562	21,770,000	22,000,000	22,403,264	22,660,000	22,660,000	23,340,000	24,040,000	24,760,000	25,380,000	26,010,000	26,660,000	27,330,000	28,010,000	28,710,000	29,430,000	
REALTY TRANSFER TAX	3,165,321	2,800,000	2,400,000	2,555,626	2,500,000	3,000,000	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	2,500,000	
DELINQUENT REAL ESTATE TAX	1,203,321	1,100,000	1,100,000	1,137,565	1,100,000	750,000	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	348,540	600,000	600,000	322,589	600,000	1,000,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	
IDEA-B	970,604	898,756	1,076,351	1,074,369	918,756	1,041,465	1,041,465	1,041,465	1,041,465	1,041,465	1,041,465	1,041,465	1,041,465	1,041,465	1,041,465	1,041,465	
PAYMENTS IN LIEU OF TAX	650,661	647,824	647,824	675,407	647,824	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	
LOCAL SERVICES TAX	379,885	408,000	408,000	374,634	420,000	360,000	371,000	382,000	393,000	403,000	413,000	423,000	434,000	445,000	456,000	467,000	
TUITION	1,388,931	1,555,621	1,555,621	1,612,462	1,950,991	1,950,991	1,950,991	1,950,991	1,950,991	1,950,991	1,950,991	1,950,991	1,950,991	1,950,991	1,950,991	1,950,991	
MISC LOCAL REVENUE	677,406	557,607	559,906	726,311	534,800	542,495	534,800	534,800	534,800	534,800	534,800	534,800	534,800	534,800	534,800	534,800	
PUBLIC UTILITY REALTY TAX	127,972	117,190	117,190	120,857	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	3,462,444	2,500,000	5,700,000	5,783,812	3,000,000	4,500,000	2,250,000	1,000,000	500,000	500,000	450,000	400,000	350,000	300,000	250,000	250,000	
TOTAL LOCAL	147,502,944	151,700,741	154,910,635	155,791,769	157,507,519	159,680,099	163,729,111	167,022,405	171,197,609	175,886,725	180,654,363	185,563,742	190,619,893	195,814,939	201,162,859	206,717,617	
STATE																	
BASIC ED INSTR SUBSIDY	10,597,444	10,600,367	12,491,571	12,490,613	12,500,000	13,776,429	13,884,000	13,884,000	13,884,000	13,884,000	13,884,000	13,884,000	13,884,000	13,884,000	13,884,000	13,884,000	
SPECIAL ED REVENUE	3,485,010	3,485,046	3,485,046	3,536,977	3,485,046	3,655,188	3,655,188	3,655,188	3,655,188	3,655,188	3,655,188	3,655,188	3,655,188	3,655,188	3,655,188	3,655,188	
REV. FOR RETIREMENT	13,293,334	13,648,124	13,648,124	13,836,988	14,732,199	14,732,199	15,400,000	16,350,000	17,150,000	17,900,000	18,650,000	19,450,000	20,200,000	21,200,000	22,600,000	23,150,000	
REV. FOR SOCIAL SECURITY	2,787,500	3,086,576	3,086,576	3,018,260	3,330,793	3,330,793	3,467,355	3,599,115	3,725,084	3,818,211	3,913,666	4,011,508	4,111,795	4,214,590	4,319,955	4,427,954	
PROPERTY TAX REDUCTION	1,792,547	1,794,014	1,794,014	1,794,014	2,169,431	2,169,431	2,169,431	2,169,431	2,169,431	2,169,431	2,169,431	2,169,431	2,169,431	2,169,431	2,169,431	2,169,431	
TRANSPORTATION REVENUE	759,734	800,000	800,000	872,458	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	910,864	910,702	910,702	910,702	910,907	910,907	914,158	850,989	850,859	690,361	690,729	637,577	637,905	637,844	637,765	637,838	
HEALTH SERVICES REVENUE	135,988	140,000	140,000	136,976	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	
VOCATIONAL EDUCATION	270,929	226,000	335,434	236,414	226,000	264,965	226,000	226,000	226,000	226,000	226,000	226,000	226,000	226,000	226,000	226,000	
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	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	
TOTAL STATE	34,631,929	35,236,032	37,307,259	37,436,710	38,966,103	41,134,605	41,096,145	42,114,736	43,040,575	43,723,204	44,569,027	45,413,717	46,264,332	47,367,066	48,872,352	49,530,424	
FEDERAL																	
TITLE I REVENUE	639,898	600,000	890,704	867,040	825,000	857,655	825,000	825,000	825,000	825,000	825,000	825,000	825,000	825,000	825,000	825,000	
TITLE II REVENUE	138,592	140,000	176,959	157,447	155,000	167,209	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	
ACCESS FUNDS	502,792	350,000	350,000	499,231	350,000	381,092	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	
OTHER FEDERAL REVENUE (5)	2,124,051	288,858	381,604	434,923	110,000	174,806	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	
TITLE III REVENUE	78,026	35,000	67,254	47,873	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	
TOTAL FEDERAL	3,483,359	1,413,858	1,866,521	2,006,514	1,475,000	1,615,762	1,475,000	1,475,000	1,475,000	1,475,000	1,475,000	1,475,000	1,475,000	1,475,000	1,475,000	1,475,000	
TOTAL REVENUE	185,618,232	188,350,631	194,084,415	195,234,993	197,948,622	202,430,466	206,300,256	210,612,141	215,713,184	221,084,929	226,698,390	232,452,459	238,359,225	244,657,005	251,510,211	257,723,041	

Note: a 2% tax increase would reduce 2025-26 Projected Revenue from \$206.3M to \$203.8M.

State College Area School District																		
General Fund Expenses and Fund Balance Transfers																		
3/3/2025																		
						\$0	-											
		Actual 2022-2023	Budget 2023-2024	Projected 2023-2024	Actual 2023-2024	Budget 2024-2025	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	Projected 2034-2035	
Salaries		77,442,696	82,341,620	83,783,910	83,100,155	88,856,677	88,992,221	92,499,801	96,014,793	99,375,311	101,859,694	104,406,186	107,016,341	109,691,750	112,434,044	115,244,895	118,126,017	
Health Insurance		15,398,987	16,107,092	21,100,000	19,727,923	21,500,000	21,526,818	23,650,000	26,015,000	28,616,500	31,478,150	34,625,965	38,088,562	41,897,418	46,087,160	50,695,876	55,765,464	
PSERS		26,540,389	27,296,247	27,613,372	27,667,188	29,464,397	29,464,397	30,800,000	32,700,000	34,300,000	35,800,000	37,300,000	38,900,000	40,400,000	42,400,000	45,200,000	46,300,000	
Other Benefits		7,349,314	7,827,843	7,879,045	7,993,835	8,674,970	8,674,970	9,000,000	9,200,000	9,400,000	9,600,000	9,800,000	10,000,000	10,300,000	10,600,000	10,900,000	11,200,000	
Professional Services		4,022,088	4,613,244	5,276,125	4,756,246	4,944,162	5,277,759	5,030,000	5,120,000	5,210,000	5,300,000	5,530,000	5,480,000	5,570,000	5,660,000	5,760,000	5,860,000	
Purchased Property Services		1,693,448	1,361,616	1,350,514	1,817,196	1,476,589	1,476,589	1,500,000	1,530,000	1,560,000	1,590,000	1,620,000	1,650,000	1,680,000	1,710,000	1,740,000	1,770,000	
Charter School Expense		5,756,726	6,683,714	6,100,000	5,907,398	6,525,000	6,525,000	6,640,000	6,750,000	6,860,000	6,980,000	7,100,000	7,220,000	7,340,000	7,460,000	7,590,000	7,720,000	
Other Purchased Services		7,086,114	7,711,689	8,011,689	7,001,894	8,272,402	8,272,402	8,410,000	8,550,000	8,700,000	8,850,000	9,000,000	9,150,000	9,310,000	9,470,000	9,630,000	9,790,000	
Supplies/Equipment		8,918,811	10,871,498	11,112,956	9,729,995	10,883,403	11,223,503	10,970,000	11,050,000	11,140,000	11,230,000	11,420,000	11,610,000	11,810,000	12,010,000	12,210,000	12,420,000	
Deferred Maintenance		2,343,321	2,390,188	2,390,188	2,390,188	2,437,992	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	2,971,900	
Transfers/contingencies/fees		419,739	2,453,559	1,203,559	709,993	5,095,973	1,945,973	5,564,975	2,089,407	2,461,778	7,556,320	3,107,872	3,197,612	9,572,760	3,379,493	3,421,666	11,829,503	
Debt Service		12,216,550	12,218,800	12,218,800	12,218,800	12,218,200	12,218,200	12,215,425	16,000,000	16,000,000	15,250,000	15,250,000	14,100,000	14,100,000	14,100,000	14,100,000	14,100,000	
Debt Service - Referendum Debt		5,256,875	5,255,625	5,255,625	5,255,625	5,258,625	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	5,257,675	
Transfer to Capital Reserve (1)		9,000,000	-	5														

Capital Reserve Fund - Rollforward

State College Area School District																
Capital Reserve - Fund 22																
3/3/2025																
	Actual 2022-2023	Budget 2023-2024	Projected 2023-2024	Actual 2023-2024	Budget 2024-2025	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	Projected 2034-2035
Beginning Balance	\$ 62,086,123	\$ 65,436,469	\$ 70,755,156	\$ 70,755,156	\$ 69,755,425	\$ 73,620,690	\$ 73,733,276	\$ 38,592,584	\$ 37,688,140	\$ 38,103,462	\$ 40,275,014	\$ 41,479,139	\$ 43,851,326	\$ 46,259,096	\$ 48,702,982	\$ 51,183,527
Additions:																
Transfer	\$ 9,000,000	\$ -	\$ 591,204	\$ 5,241,204	\$ -	\$ 2,103,610	\$ -	\$ -	\$ -	\$ 750,000	\$ 750,000	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000
Grant Income								\$ 1,000,000		\$ 1,000,000						
Bond Reimbursements		\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Investment Earnings	\$ 1,668,571	\$ 831,547	\$ 2,500,000	\$ 3,317,469	\$ 1,446,961	\$ 3,000,000	\$ 1,250,000	\$ 428,889	\$ 415,322	\$ 421,552	\$ 454,125	\$ 472,187	\$ 507,770	\$ 543,886	\$ 580,545	\$ 617,753
Total Additions	\$ 10,668,571	\$ 831,547	\$ 3,091,204	\$ 8,558,673	\$ 1,446,961	\$ 5,103,610	\$ 1,250,000	\$ 1,428,889	\$ 415,322	\$ 2,171,552	\$ 1,204,125	\$ 2,372,187	\$ 2,407,770	\$ 2,443,886	\$ 2,480,545	\$ 2,517,753
Capital Expenditures:																
Athletic/Recreation Facilities		\$ -	\$ -		\$ (2,333,333)	\$ (2,333,333)	\$ (2,333,333)	\$ (2,333,333)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Physical Plant Building	\$ (391,298)	\$ (2,655,000)	\$ (2,655,000)	\$ (3,314,577)	\$ (2,600,000)	\$ (2,600,000)										
Land Purchase - Irvin Avenue	\$ (1,608,240)															
Mount Nittany Elementary (Initial Est \$21M)				\$ (942,641)			\$ (6,057,359)									
Land Purchase - Park Forest MS			\$ (1,435,936)	\$ (1,435,921)												
Park Forest Middle School							\$ (28,000,000)									
Mt Nittany Middle School Cafeteria																
Arbitrage Interest						\$ (57,691)										
Panorama Village Office Renovation																
Outcomes of District-wide Facility Master Plan																
Total Uses	\$ (1,999,538)	\$ (2,655,000)	\$ (4,090,936)	\$ (5,693,139)	\$ (4,933,333)	\$ (4,991,024)	\$ (36,390,692)	\$ (2,333,333)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Change	\$ 8,669,033	\$ (1,823,453)	\$ (999,732)	\$ 2,865,534	\$ (3,486,372)	\$ 112,586	\$ (35,140,692)	\$ (904,444)	\$ 415,322	\$ 2,171,552	\$ 1,204,125	\$ 2,372,187	\$ 2,407,770	\$ 2,443,886	\$ 2,480,545	\$ 2,517,753
Ending Fund Balance	\$ 70,755,156	\$ 63,613,016	\$ 69,755,425	\$ 73,620,690	\$ 66,269,053	\$ 73,733,276	\$ 38,592,584	\$ 37,688,140	\$ 38,103,462	\$ 40,275,014	\$ 41,479,139	\$ 43,851,326	\$ 46,259,096	\$ 48,702,982	\$ 51,183,527	\$ 53,701,280

Note: A portion of the MNES and PFMS projects will be financed by the Capital Reserve Fund and a portion by planned debt issuances.

Items Accomplished Since Last Update

- ▶ Have received Budget Head draft budgets back and initial reviews are in the process of being completed
- ▶ Have begun assessing personnel costs for the 2025-26 budget
- ▶ Have reviewed the financial information as of December 31, 2024 to more accurately project the financial condition of the District as of the midway point in the year
- ▶ Have monitored the development of the 2025-26 PA State Budget
- ▶ Have begun assessing new additions to the 2025-26 Budget
 - ▶ Personnel Requests
 - ▶ New non-personnel costs (such as debt service for MNES addition)

What Are the Next Steps?

- ▶ Finalize the Detailed Budget File with the Budget Head's input
- ▶ Finalize Personnel Budgeting to Project 2025-26 Compensation
- ▶ Review Revenue and Expense information through February to determine if 2024-25 projections are still in line with December's projections
- ▶ Continually monitor outcomes associated with PSU budget situation
- ▶ Monitoring Outcomes from the Cyber Charter School audit
- ▶ Submission of budget to cabinet to allow for final prioritization to occur - where resources and efforts intersect
- ▶ Inform and work with the board to adopt the budget in advance of PDE deadlines

Auditor General Recommendations - Cyber Charter Schools

- ▶ The Governor should:

- ▶ 1. Appoint a professional and knowledgeable taskforce of stakeholders with expertise in public school matters headed by an experienced chairperson within six months of the issuance of our audit report to ensure a balanced and inclusive approach to comprehensively review Pennsylvania's funding formula for cyber charter schools, including one or more representatives of each of the following: 1) PDE, 2) cyber charter schools, 3) school districts, 4) parent groups, 5) education related associations including those representing cyber charter schools, and 6) members of the General Assembly.
- ▶ 2. Direct the taskforce to issue an in-depth report within nine months of the establishment of the taskforce to evaluate the existing funding formula including to determine an equitable and sustainable formula that considers the actual costs of providing a quality education in a cyber environment and is fair to all parties, including cyber charter schools, school districts, and taxpayers.
- ▶ 3. Authorize the taskforce chairperson to obtain the assistance of PDE staff to help review different and diverse approaches for establishing a tuition rate for cyber charter regular and special education students based on the funding formulas of other states' laws pertaining to their virtual schools and the research and examination of such formulas provided for in national and state education publications/reviews.

Auditor General Recommendations - Cyber Charter Schools

- ▶ The General Assembly should:
 - ▶ 1. Pass a joint resolution (or another form of resolution at their discretion) within six months of the issuance of the Governor's Taskforce report calling for the Legislative Budget and Finance Committee to issue a report within no longer than four months to study and facilitate the enactment of the legislation needed to implement a fair and equitable cyber charter school funding formula based on all of the recommendations of the Governor's Taskforce report and the results of the committee's findings.
- ▶ PDE, as the sole authorizer of cyber charter schools, should:
 - ▶ 1. Conduct reviews and renew the cyber charter agreements on a timely basis that coincides with the end of the charter agreement.
 - ▶ 2. Determine if CCA's acquisition/renovation of buildings throughout the state is consistent with the department's guidance regarding building usage and aligns with the CSL and consider the possible need to revise the department's 2013 BEC pertaining to cyber facilities by further clarifying the appropriate use of taxpayer monies for student and family supports.

Key Documents/Information to Come

- ▶ Revenue by Source Comparison - Year Over Year
- ▶ Expenditure by Source Comparison - Year Over Year
- ▶ Revenue and Expenditures by Function Graph
- ▶ Budget Matrix

Comparison of Revenue by Source

2023-2024 Actual		
REAL ESTATE TAX	\$	119,004,873
EARNED INCOME TAX	\$	22,403,264
OTHER LOCAL REVENUE	\$	<u>14,383,632</u>
TOTAL LOCAL	\$	155,791,769
TOTAL STATE	\$	37,436,710
TOTAL FEDERAL	\$	<u>2,006,514</u>
TOTAL REVENUE	\$	195,234,993

2024-25 Projected		
REAL ESTATE TAX	\$	123,057,958
EARNED INCOME TAX	\$	22,660,000
OTHER LOCAL REVENUE	\$	<u>13,962,141</u>
TOTAL LOCAL	\$	159,680,099
TOTAL STATE	\$	41,134,605
TOTAL FEDERAL	\$	<u>1,615,762</u>
TOTAL REVENUE	\$	202,430,466

Comparison of Expenditures by Source

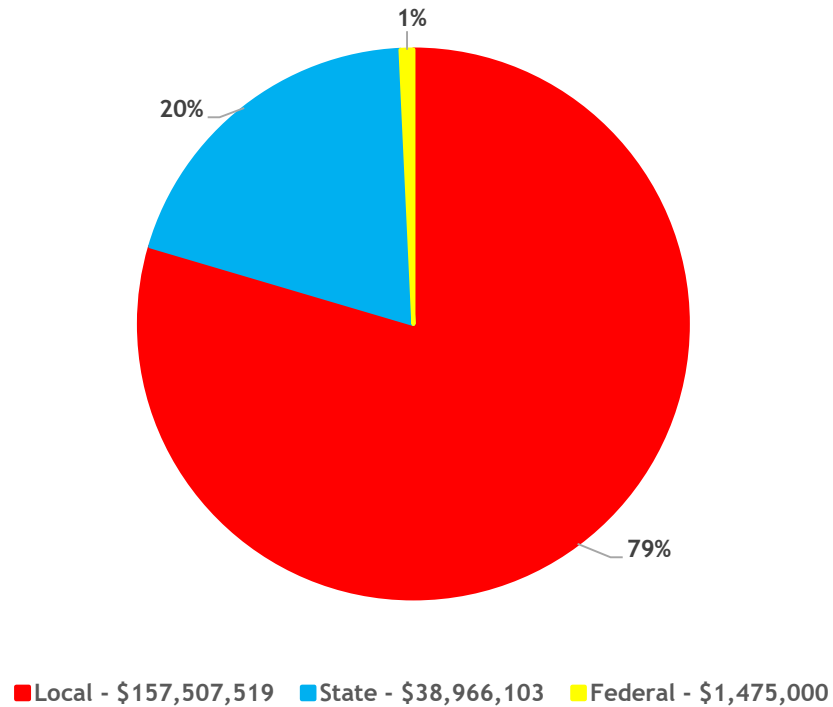
2023-2024 Actual		
SALARIES	\$ 83,100,155	42.94%
HEALTH INSURANCE	\$ 19,727,923	10.19%
PSERS	\$ 27,667,188	14.30%
OTHER BENEFITS	\$ 7,993,835	4.13%
TOTAL PERSONNEL COSTS	\$ 138,489,101	71.56%
SUPPLIES/EQUIPMENT	\$ 9,729,995	5.03%
DEBT SERVICE	\$ 17,474,425	9.03%
TRANSFER TO CAP RESERVE	\$ 5,241,204	2.71%
ALL OTHER COSTS	\$ 22,582,915	11.68%
TOTAL EXPENDITURES	\$ 193,517,640	100%

2024-25 Projected		
SALARIES	\$ 88,992,221	43.33%
HEALTH INSURANCE	\$ 21,526,818	10.48%
PSERS	\$ 29,464,397	14.35%
OTHER BENEFITS	\$ 8,674,970	4.22%
TOTAL PERSONNEL COSTS	\$ 148,658,406	72.38%
SUPPLIES/EQUIPMENT	\$ 11,223,503	5.46%
DEBT SERVICE	\$ 17,476,825	8.51%
TRANSFER TO CAP RESERVE	\$ 2,103,610	1.02%
ALL OTHER COSTS	\$ 25,935,715	12.63%
TOTAL EXPENDITURES	\$ 205,398,059	100%

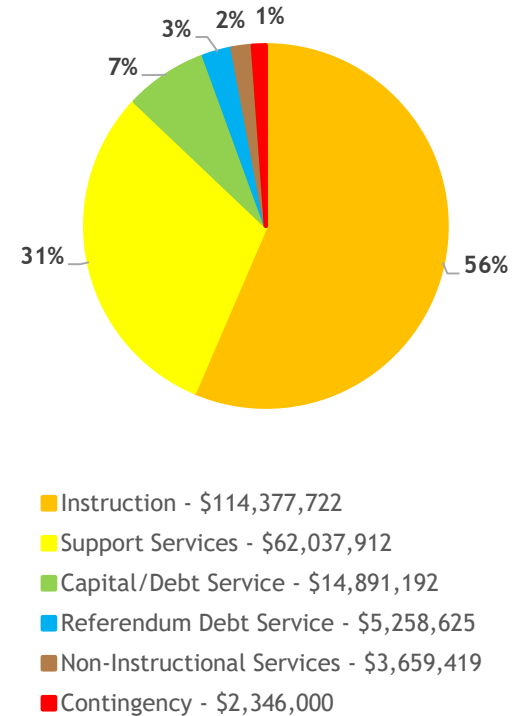
Note: Personnel costs (actual) increased from 69.08% to 71.56% of total expenditures from FY 22/23 to 23/24...and are projected to increase to 72.38% of total expenditures in FY 24-25. That increase is being offset largely through reductions in Debt Service and Transfer to Capital Reserve (as a percent of overall budgetary effort).

Revenue and Expenditure by Function

2024-25 Budgeted Revenue by Source



2024-25 Budgeted Expenditure by Function



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%
Other Instructional											
4 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%
Special Programs- Elem/Sec											
9 Life Skills Support- Public	268,792	152,758	-	-	-	-	6,800	-	428,349		
10 Deaf or Hearing Impaired Support	159,205	93,042	-	-	-	1,650	300	-	254,196		
11 Blind or Visually Impaired Support	155,499	155,628	-	1,500	-	1,720	4,300	-	318,647		
12 Speech and Language Support	972,204	652,825	-	-	-	5,323	18,000	325	1,648,677		
13 Emotional Support-Public	520,264	325,039	-	-	-	829,704	5,700	-	1,680,707		
14 Autistic Support	3,121,100	2,418,022	-	-	-	665,531	13,100	-	6,217,753		
15 Learning Support- Public	5,798,356	4,508,814	3,500	36,200	-	76,241	132,802	3,600	10,559,512		
16 Gifted Support	1,313,744	818,656	1,000	-	-	2,990	22,725	3,550	2,162,665		
17 Multi-Handicapped Support	379,207	430,982	-	-	-	-	400	-	810,590		
18 Special Programs- Other Support	260,908	141,753	60,600	200	2,133,398	250,500	82,000	-	2,929,359		
19 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%
Support Services											
22 Support Services - Students	4,655,116	3,151,955	279,115	175	-	20,700	94,945	2,000	8,204,005		
23 Support Services - Instr Staff	3,207,058	2,354,864	211,605	3,000	-	115,590	702,557	20,200	6,614,874		
24 Support Services - Admin	5,874,222	3,724,997	769,400	19,450	-	64,409	160,656	168,520	10,781,654		
25 Support Services - Pupil Health	1,377,942	1,026,419	714,350	1,695	-	200	57,870	-	3,178,477		
26 Support Services - Business	951,581	615,938	342,715	-	-	47,314	139,550	6,950	2,104,048		
27 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		
28 Student Transportation Serv	1,597,117	1,176,582	10,168	55,027	-	4,412,610	666,887	840	7,919,232		
29 Support Services - Central	2,353,760	1,692,534	376,840	54,300	-	501,358	3,753,947	54,050	8,786,789		
30 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%
Non-instructional (i.e Student Activities/Athletics/Comm ed)											
33 Other Expenditures & Financing Uses											
34 Other	-	-	-	-	-	-	-	235,000	235,000		
35 Debt Service Transfer	-	-	-	-	-	-	-	12,218,200	12,218,200		
36 Debt Service- Referendum	-	-	-	-	-	-	-	5,258,625	5,258,625		
37 Deferred Maintenance Transfer	-	-	-	-	-	-	-	2,437,992	2,437,992		
38 Food Service Transfer	-	-	-	-	-	-	-	-	-		
39 Capital Reserve Transfer	-	-	-	-	-	-	-	-	-		
40 Budgetary Reserve	-	-	-	-	-	-	-	2,346,000	2,346,000		
41 Total Other Exp & Financing Uses	-	-	-	-	-	-	-	22,495,817	22,495,817	11%	12%
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%
2024-25 % of Total Budget	44%	29%	2%	1%	3%	4%	5%	11%	100%		
2023-24 % of Total Budget	44%	27%	2%	1%	4%	4%	6%	12%	100%		

Are there any questions?

