

Budget Update

For the April 7, 2025 Board Meeting

Key Changes to 2024-2025 Since Last Update

- Health insurance is being moved to a separate Internal Service Fund.
 - Committed fund balance will be moved from General Fund to an Internal Service Fund
 - Moves the fluctuations to the Internal Service Fund (positive and negative experience years)
 - Impacts “Contingency” and “Committed Fund Balance – Health Insurance”
- Change in Presentation for Debt Service and Transfer to Capital Reserve
 - Potential Debt Service moved out of General Fund to Capital Reserve Fund
 - Transfers to Capital Reserve eliminated (FY 2029-FY 2035)
 - Usage of Capital Reserve Fund dollars still being assessed in conjunction with:
 - Expansion on Mount Nittany Elementary School
 - Construction of new Park Forest Middle School
 - Implementation of the District-wide Facilities Master Plan
 - While Budget Projections include a loss for 2024-25, staff is projecting no worse than a break even at this point, however the confidence is not yet high enough to warrant a change.

Key Changes to 2025-2026 Since Last Update

- \$1+M Increase in Real Estate Tax Revenue – 4 large properties came online this year – growth was approximately 1.5% vs assumed 0.9%
- Significant Increase in Utility Rates (Electricity, Water/Sewer, and Natural Gas)
- Additional Effort for Athletic Event Security – cost has increased 50% over last two years to provide additional support at extra-curricular events to provide an additional safety presence
- New Positions Proposed for FY 2025-2026:
 - One Special Education Teacher
 - One Business Education Teacher
 - One School Psychologist
 - Student Activities and Athletic Manager
 - One Clerical Position for the Special Education Department
 - Custodial Position for the Physical Plant Department
 - Increased Sub Rates

Special Education Teacher

Goal: To meet the needs and requirements of the increasing special education student population.

- To effectively support our growing special education student population, additional staffing positions are needed across the district.
- These new positions will help deliver services in the Least Restrictive Environment (LRE) and ensure high-quality, individualized support for each student.
- By adding these roles, the district can better manage increasing service demands, maintain reasonable caseloads, and ensure all students receive the necessary support to succeed.

Business Education Teacher

Goal: To meet the needs for a new personal finance course.

- This course is a new PDE graduation requirement.
- Effective with the freshman class of the 2025-26 school year, SCASD graduates will be required to complete this course.

School Psychologist

Goal: To respond to the increased number of student evaluation requests.

- This school psychologist will provide additional resources for student evaluation for special education and gifted services in the district and non-public schools.
- As a reminder, the district is required by PDE to complete student evaluations for non-public schools.

Student Activities and Athletic Manager

Goal: To assist the athletics department and principals with district-wide student activities and athletics programs.

- This position will oversee:
 - the operations of student clubs/activities
 - PIAA and intramural athletics programming, including but not limited to:
 - scheduling,
 - equipment purchasing,
 - hiring, and
 - facility management.
- The increased participation in athletics and student activity programs result in this request.

Special Education Department Clerical Position

Goal: To respond to the department's reporting and billing needs.

- The position will help meet the demands and volume of the ACCESS reports, which are prepared for billing in order to collect reimbursement for services provided by district staff.
- Additionally, the position would help facilitate transportation for students with IEP's and 504's, which is currently outsourced to a third party.
- The goal will be that the reimbursement and decreased costs from the third party should help offset the cost of this position.

Physical Plant Custodian

Goal: To provide increased equity among all school facilities.

- Currently, there is a custodial position shared by Radio Park and Park Forest middle schools. This new position would increase each school by a half position in each building.

SUBSTITUTE PAY RATES - JULY 1, 2025

Proposed Rates:

- \$135 per day for all day-to-day emergency permit substitute teachers
- \$140 per day for all day-to-day certified educator substitute teachers
- \$150 per day for retiree substitute teachers
- \$150 per day for building substitute teachers

Current Rates:

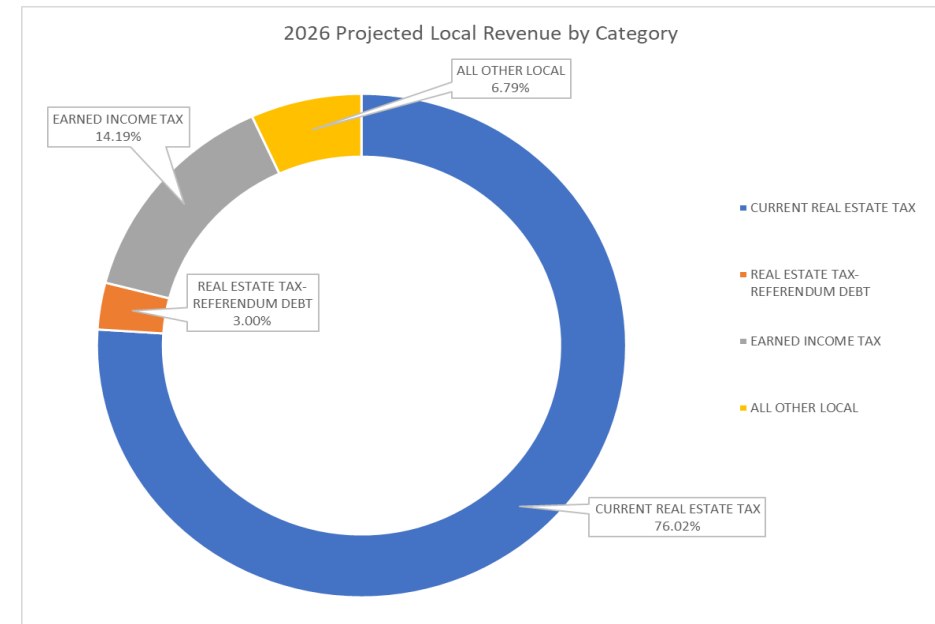
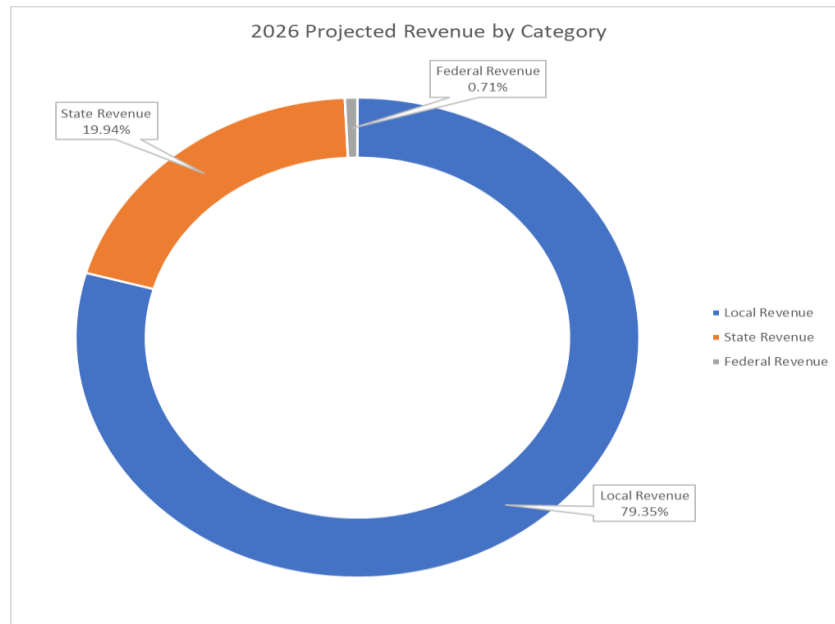
- \$120/day day to day substitute teachers
- \$135/day Retired substitute teachers
- \$135/day building substitutes

Revenue Comparison – FY 2024 to FY 2026

	Actual 2023-2024	Projected 2024-2025	Projected 2025-2026
CURRENT REAL ESTATE TAX	\$ 114,061,485	\$ 118,111,748	\$ 125,037,712
REAL ESTATE TAX-REFERENDUM DEBT	\$ 4,943,388	\$ 4,946,210	\$ 4,943,153
EARNED INCOME TAX	\$ 22,403,264	\$ 22,660,000	\$ 23,340,000
REALTY TRANSFER TAX	\$ 2,555,626	\$ 3,000,000	\$ 2,500,000
DELINQUENT REAL ESTATE TAX	\$ 1,137,565	\$ 750,000	\$ 1,100,000
INTERIM REAL ESTATE TAX	\$ 322,589	\$ 1,000,000	\$ 600,000
IDEA-B	\$ 1,074,369	\$ 1,041,465	\$ 1,041,465
PAYMENTS IN LIEU OF TAX	\$ 675,407	\$ 700,000	\$ 700,000
LOCAL SERVICES TAX	\$ 374,634	\$ 360,000	\$ 371,000
TUITION	\$ 1,612,462	\$ 1,950,991	\$ 1,950,991
MISC LOCAL REVENUE	\$ 726,311	\$ 542,495	\$ 534,800
PUBLIC UTILITY REALTY TAX	\$ 120,857	\$ 117,190	\$ 117,190
INTEREST ON INVESTMENTS	\$ 5,783,812	\$ 4,500,000	\$ 2,250,000
TOTAL LOCAL	\$ 155,791,769	\$ 159,680,099	\$ 164,486,311
STATE			
BASIC ED INSTR SUBSIDY	\$ 12,490,613	\$ 13,776,429	\$ 13,884,000
SPECIAL ED REVENUE	\$ 3,536,977	\$ 3,655,188	\$ 3,655,188
REV. FOR RETIREMENT	\$ 13,836,988	\$ 14,732,199	\$ 15,600,000
REV. FOR SOCIAL SECURITY	\$ 3,018,260	\$ 3,330,793	\$ 3,504,848
PROPERTY TAX REDUCTION	\$ 1,794,014	\$ 2,169,431	\$ 2,169,431
TRANSPORTATION REVENUE	\$ 872,458	\$ 800,000	\$ 800,000
BOND REIMBURSEMENTS	\$ 910,702	\$ 910,907	\$ 914,158
HEALTH SERVICES REVENUE	\$ 136,976	\$ 140,000	\$ 140,000
READY TO LEARN GRANT	\$ 310,013	\$ 310,013	\$ 310,013
VOCATIONAL EDUCATION	\$ 236,414	\$ 264,965	\$ 226,000
OTHER STATE REVENUE (4)	\$ 175,779	\$ 1,005,089	\$ -
TUITION - 1305/1306	\$ 117,516	\$ 130,000	\$ 130,000
TOTAL STATE	\$ 37,436,710	\$ 41,225,014	\$ 41,333,638
FEDERAL			
TITLE I REVENUE	\$ 867,040	\$ 857,655	\$ 825,000
TITLE II REVENUE	\$ 157,447	\$ 167,209	\$ 155,000
ACCESS FUNDS	\$ 499,231	\$ 381,092	\$ 350,000
OTHER FEDERAL REVENUE (5)	\$ 434,923	\$ 174,806	\$ 110,000
TITLE III REVENUE	\$ 47,873	\$ 35,000	\$ 35,000
TOTAL FEDERAL	\$ 2,006,514	\$ 1,615,762	\$ 1,475,000
TOTAL REVENUE	\$ 195,234,993	\$ 202,520,875	\$ 207,294,949

Revenue Growth – FY 2024 to FY 2026

	2023-2024 Actual	2024-2025 Projected	2025-2026 Projected
Real Estate Tax	\$ 119,004,873	\$ 123,057,958	\$ 129,980,865
Earned Income Tax	\$ 22,403,264	\$ 22,660,000	\$ 23,340,000
Other Local Revenue	\$ 14,383,632	\$ 13,962,141	\$ 11,165,446
Total Local Revenue	\$ 155,791,769	\$ 159,680,099	\$ 164,486,311
Total State Revenue	\$ 37,436,710	\$ 41,225,014	\$ 41,333,638
Total Federal Revenue	\$ 2,006,514	\$ 1,615,762	\$ 1,475,000
Total Revenue	\$ 195,234,993	\$ 202,520,875	\$ 207,294,949

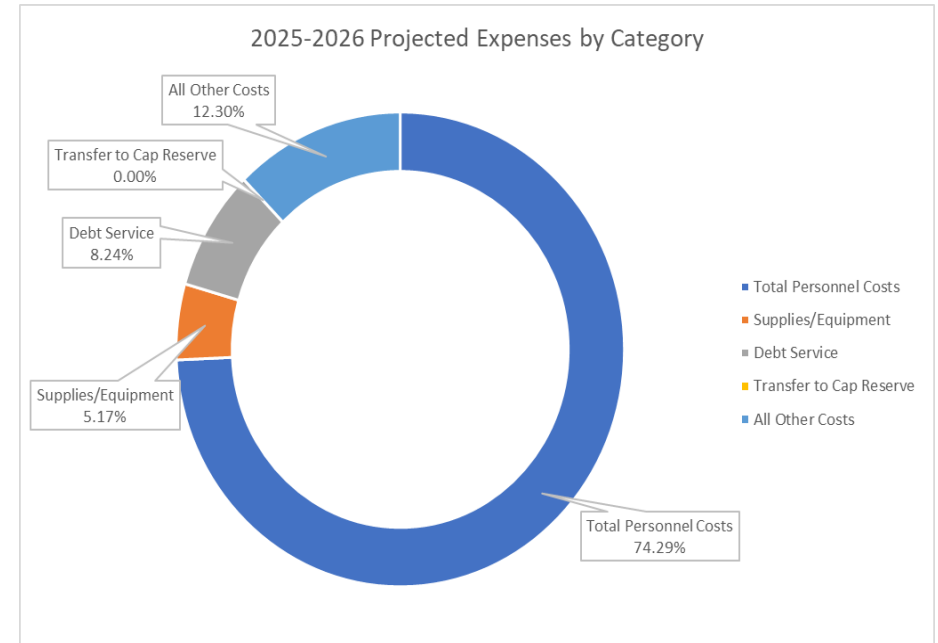
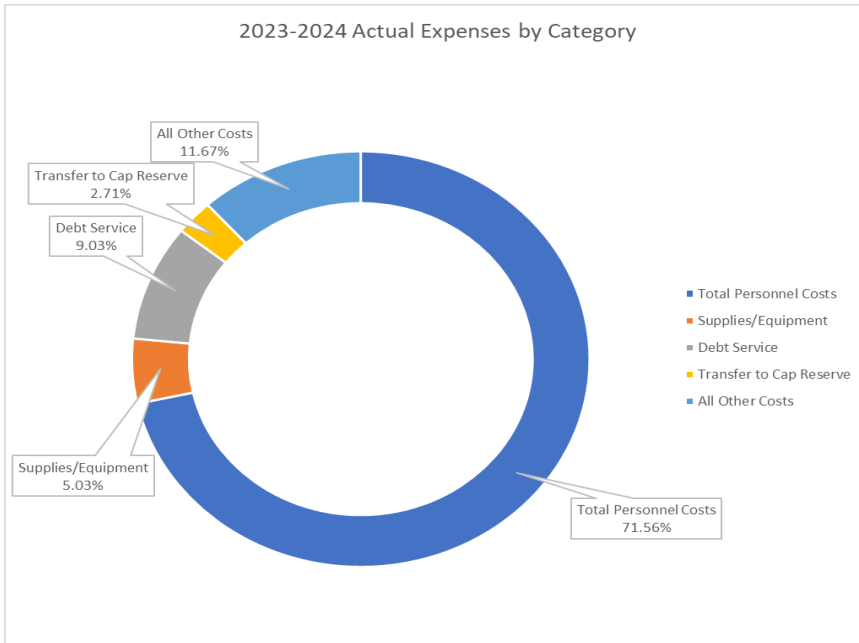


Expense Comparison – FY 2024 to FY 2026

	Actual 2023-2024	Projected 2024-2025	Projected 2025- 2026
Salaries	\$ 83,100,155	\$ 88,992,221	\$ 93,500,000
Health Insurance	\$ 19,727,923	\$ 21,526,818	\$ 23,850,000
PSERS	\$ 27,667,188	\$ 29,464,397	\$ 31,200,000
Other Benefits	\$ 7,993,835	\$ 8,674,970	\$ 9,000,000
Professional Services	\$ 4,756,246	\$ 5,297,759	\$ 5,030,000
Purchased Property Services	\$ 1,817,196	\$ 1,476,589	\$ 1,500,000
Charter School Expense	\$ 5,907,398	\$ 6,525,000	\$ 6,640,000
Other Purchased Services	\$ 7,001,894	\$ 8,272,402	\$ 8,410,000
Supplies/Equipment	\$ 9,729,995	\$ 11,293,912	\$ 10,970,000
Deferred Maintenance	\$ 2,390,188	\$ 2,437,992	\$ 2,486,752
Transfers/contingencies/fees	\$ 709,993	\$ 1,945,973	\$ 2,017,475
Debt Service	\$ 12,218,800	\$ 12,218,200	\$ 12,215,425
Debt Service - Referendum Debt	\$ 5,255,625	\$ 5,258,625	\$ 5,255,375
Transfer to Capital Reserve (1)	\$ 5,241,204	\$ 2,103,610	\$ -
Fund Balance Commitment/Use (Debt Service)	\$ -	\$ (2,349,000)	\$ (2,984,000)
Fund Balance Commitment/Use (Health Insurance)	\$ 1,400,000	\$ -	\$ -
Total Expenses and Fund Balance Transfers	\$194,917,640	\$ 203,139,468	\$ 209,091,027
Total Expense and Transfers (excl fund balance use/commitment)	\$193,517,640	\$ 205,488,468	\$ 212,075,027

Expenditure Growth – FY 2023 to FY 2025

2023-2024 Actual		2024-2025 Projected		2025-2026 Projected	
Salaries	\$ 83,100,155	Salaries	\$ 88,992,221	Salaries	\$ 93,500,000
Health Insurance	\$ 19,727,923	Health Insurance	\$ 21,526,818	Health Insurance	\$ 23,850,000
PSERS	\$ 27,667,188	PSERS	\$ 29,464,397	PSERS	\$ 31,200,000
Other Benefits	\$ 7,993,835	Other Benefits	\$ 8,674,970	Other Benefits	\$ 9,000,000
Total Personnel Costs	\$ 138,489,101	Total Personnel Costs	\$ 148,658,406	Total Personnel Costs	\$ 157,550,000
Supplies/Equipment	\$ 9,729,995	Supplies/Equipment	\$ 11,293,912	Supplies/Equipment	\$ 10,970,000
Debt Service	\$ 17,474,425	Debt Service	\$ 17,476,825	Debt Service	\$ 17,470,800
Transfer to Cap Reserve	\$ 5,241,204	Transfer to Cap Reserve	\$ 2,103,610	Transfer to Cap Reserve	\$ -
All Other Costs	\$ 22,582,915	All Other Costs	\$ 25,955,715	All Other Costs	\$ 26,084,227
Total Expenditures	\$ 193,517,640	Total Expenditures	\$ 205,488,468	Total Expenditures	\$ 212,075,027



Unassigned Fund Balance Rollforward (General Fund) – FY 2024 to FY 2026

	Actual 2023-2024	Projected 2024-2025	Projected 2025-2026
Beginning Fund Balance	\$ 14,572,224	\$ 14,562,903	\$ 13,944,310
Revenue	<u>\$ 195,234,993</u>	<u>\$ 202,520,875</u>	<u>\$ 207,294,949</u>
Local	\$ 155,791,769	\$ 159,680,099	\$ 164,486,311
State	\$ 37,436,710	\$ 41,225,014	\$ 41,333,638
Federal	<u>\$ 2,006,514</u>	<u>\$ 1,615,762</u>	<u>\$ 1,475,000</u>
Expense and transfers (excluding use of fund balance)	<u>\$ 193,517,640</u>	<u>\$ 205,488,468</u>	<u>\$ 212,075,027</u>
Revenue less expense	\$ 1,717,353	\$ (2,967,593)	\$ (4,780,078)
Funding/(Use) of Committed Fund Balance (Debt Service)	\$ -	\$ (2,349,000)	\$ (2,984,000)
Funding/(Use) of Committed Fund Balance (Health Insurance)	<u>\$ 1,400,000</u>	<u>\$ -</u>	<u>\$ -</u>
Incr (Decr) in Assigned Fund Balance	\$ 1,400,000	\$ (2,349,000)	\$ (2,984,000)
Change in non-spendable Fund Balance	\$ (340,244)	\$ -	\$ -
Change in enterprise Fund Balance	<u>\$ 13,570</u>	<u>\$ -</u>	<u>\$ -</u>
Change in Unassigned General Fund Balance	\$ (9,321)	\$ (618,593)	\$ (1,796,078)
Ending Unassigned Fund Balance	\$ 14,562,903	\$ 13,944,310	\$ 12,148,232

Fund Balance Rollforward (All other funds) – FY 2024 to FY 2026

State College Area School District			
Capital Projects Fund			
Minor Capital Projects - Fund 31			
	Actual	Projected	Projected
	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>
Beginning Balance	\$ 4,603,271	\$ 4,460,388	\$ 4,486,757
Additions:			
Debt Proceeds (net of underwriter disc)			
Transfers In	\$ 2,390,188	\$ 2,437,992	\$ 2,486,752
Donations	\$ 945,237		
Grant Income		\$ 251,805	
Total Additions	\$ 3,335,425	\$ 2,689,797	\$ 2,486,752
Expenditures:			
Construction Expenditures			
Minor Capital Expenditures	\$ (3,478,308)	\$ (2,663,428)	\$ (3,713,160)
Total Uses	\$ (3,478,308)	\$ (2,663,428)	\$ (3,713,160)
Net Change	\$ (142,883)	\$ 26,369	\$ (1,226,408)
Ending Fund Balance	\$ 4,460,388	\$ 4,486,757	\$ 3,260,349
State College Area School District			
Health Insurance Reserve Fund			
Internal Service - Fund 60			
	Actual	Projected	Projected
	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>
Beginning Balance	\$ -	\$ -	\$ 9,392,790
Additions:			
Premium Income			
Employer Transfers In - General + Print Shop + Food	\$ -	\$ -	\$ 20,894,625
Employee Transfers In - General + Print Shop + Food		\$ -	\$ 2,089,463
Investment Earnings	\$ -	\$ -	\$ 234,820
Total Additions	\$ -	\$ -	\$ 23,218,908
Expenditures:			
Health Insurance Expense	\$ -	\$ -	\$ (23,216,250)
Total Uses	\$ -	\$ -	\$ (23,216,250)
Net Change	\$ -	\$ -	\$ 2,658
Ending Fund Balance	\$ -	\$ 9,392,790	\$ 9,395,448

Fund Balance Rollforward (All other funds) – FY 2024 to FY 2026

	Actual <u>2023-2024</u>	Projected <u>2024-2025</u>	Projected <u>2025-2026</u>
Beginning Balance	\$ 70,755,156	\$ 73,620,690	\$ 73,733,276
Additions:			
Transfer	\$ 5,241,204	\$ 2,103,610	\$ -
Net Investment Earnings	\$ 3,317,469	\$ 3,000,000	\$ 1,250,000
Total Additions	\$ 8,558,673	\$ 5,103,610	\$ 1,250,000
Capital Expenditures:			
Athletic/Recreation Facilities		\$ (2,333,333)	\$ (2,333,333)
Physical Plant Building	\$ (3,314,577)	\$ (2,600,000)	
Mount Nittany Elementary (Initial Est \$21M)	\$ (942,641)		\$ (22,000,000)
Land Purchase - Park Forest MS	\$ (1,435,921)		
Park Forest Middle School			\$ (5,000,000)
Arbitrage Interest		\$ (57,691)	
Debt Service - Potential Borrowings			\$ (500,000)
Total Uses	\$ (5,693,139)	\$ (4,991,024)	\$ (29,833,333)
Net Change	\$ 2,865,534	\$ 112,586	\$ (28,583,333)
Ending Fund Balance	\$ 73,620,690	\$ 73,733,276	\$ 45,149,943
State College Area School District			
Memorial Field, Playgrounds, North Building			
Capital Projects - Fund 37			
	Actual <u>2023-2024</u>	Projected <u>2024-2025</u>	Projected <u>2025-2026</u>
Beginning Balance	\$ 3,792,010	\$ (4,202)	\$ 45
Additions:			
Transfers In	\$ 40,000		\$ 105,897
Investment Earnings	\$ 168,853	\$ 4,277	
Total Additions	\$ 208,853	\$ 4,277	\$ 105,897
Expenditures:			
Construction Expenditures	\$ (4,005,065)	\$ (30)	
Arbitrage Interest			\$ (105,942)
Total Uses	\$ (4,005,065)	\$ (30)	\$ (105,942)
Net Change	\$ (3,796,212)	\$ 4,247	\$ (45)
Ending Fund Balance	\$ (4,202)	\$ 45	\$ -

