



**STATE COLLEGE AREA SCHOOL DISTRICT  
ADMINISTRATIVE OFFICES**

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**STATE COLLEGE AREA SCHOOL DISTRICT  
2025-26 BUDGET SUMMARY**

Budget Hearing Date: May 19, 2025, 7:00 p.m.

Budget Adoption Date: June 2, 2025, 7:00 p.m.

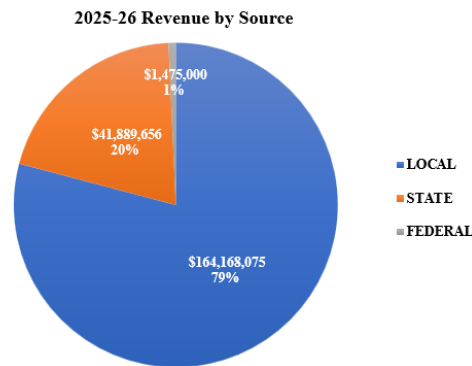
Location: Panorama Village Building Board Room – Meeting Room A

Education is an investment in the future that requires a partnership between schools and the community. State College Area School District is committed to wise use of resources and delivery of quality educational programs.

The Board of School Directors allocates revenue and expenditures to support the educational programs as defined by the district's mission and goals articulated through the strategic plan, as well as financial and operating policies. The board must balance the educational needs of students with the ability and willingness of the community to provide the necessary financial support.

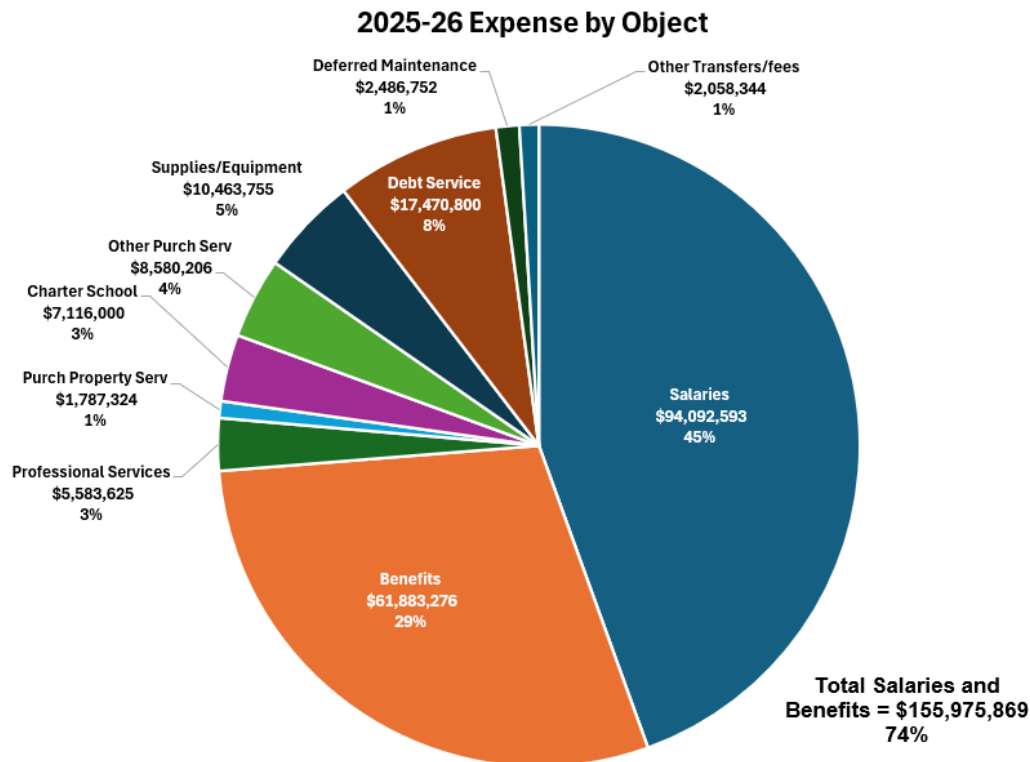
**Revenue Budget**

- The budget for 2025-26 includes revenues in the amount of \$207,532,731, which represents a \$9,584,109 (4.8%) increase compared to the 2024-25 budget.
- Budgeted local revenue is \$6,660,556 higher than the 2024-25 budget. Approximately \$6,605,000 of this increase is related to real estate taxes with is reflective of a 4% real estate tax rate increase and assessed value growth increasing by 1.47%. Earned income tax and IDEA funding account for the majority of the remaining increase.
- The proposed increase in the real estate tax rate is 4% (equal to the Act I Index) or a 2.0369 mill increase resulting in a total of 52.9597 mills.
- This increase would equate to an average additional cost across all property types (residential, commercial, agricultural, etc.) for the July 2025 billing in the amount of \$206. To determine a more precise individualized tax impact, a taxpayer can calculate their approximate tax increase by multiplying the payment made for their July 1, 2024 taxes by 4%.
- The district is primarily locally funded, with 79% of revenue from local sources.
- Budgeted state revenue is \$2,923,553 higher than the 2024-25 budget. Increase reflects a continuation of improved funding for education in the state budget for basic education subsidy of approximately \$1,384,000 (11%) and special education subsidy \$170,000. Reimbursement for retirement (\$1,075,000) and social security (\$196,000) also increased compared to 2024-25. The Property Tax Reduction allocation (\$2,496,328) from PDE also increased by \$327,000 (15%) which provides a reduction in real estate taxes for eligible homestead and farmstead properties. These increases are offset by a decrease in other state revenue primarily related to assumptions for previous mental health and safety/security grants.
- Federal revenue remained level compared to 2025-26 budget.

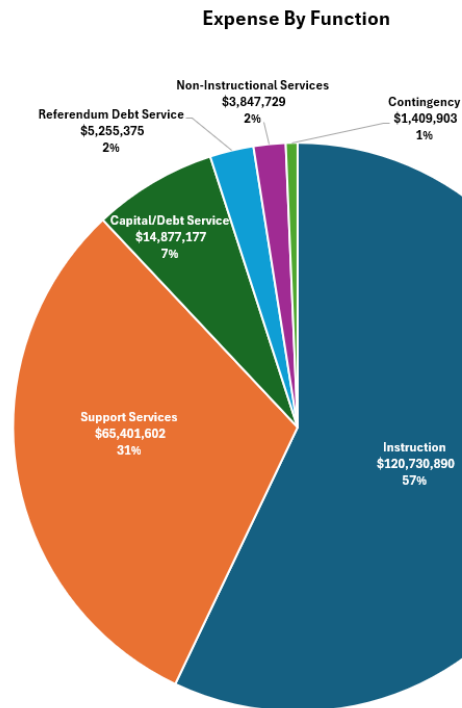


### **Expense Budget**

- The budget for 2025-26 includes expenses in the amount of \$211,522,675, which represents a \$5,914,285 (3%) increase compared to the 2024-25 Budget. Key budgetary additions include the following:
  - Special Education Teacher
  - Business Education Teacher
  - School Psychologist
  - Student Activities Manager and Athletics Manager
  - Clerical Position for Special Education Department
  - Custodial Position for the Physical Plant Department
  - Other recurring costs include increases in the substitute rates, operating costs (water/sewer and natural gas rates, additional security efforts, charter school costs due to rate increase, contracted carrier (bus/van) costs, and electricity (savings from Power Purchase Agreement will not impact this budget and will be assessed for 2026/27 budget).
- Salary and benefit expenses represent approximately 74% of the district's total expenses.
  - Impact of the personnel contracts
  - Health insurance costs have stabilized as has the PSERS rate
- Required contributions to the state retirement plan (PSERS) increased approximately \$2,149,000 compared to the 2024-25 budget. This is related to an increase in salary expenses (PSERS employer contribution rate for 2025-26 is 34% of qualifying salaries).
- Other recurring costs include an increase in the substitute teacher employee rate, additional investment in security at extracurricular events, increased charter school costs, and a significant increase in utility rates (Note: The anticipated reduction in the PPA electricity rate is not included in the 2025-2026 budget, the impact will begin in fiscal year 2026-2027).
- The district's required payment to charter schools represents 3% of the 2025-26 budget (\$7,116,000).
- The budget contains an allocation of \$19,957,552 (9%) for debt service and capital expenses which includes \$5,255,375 to fund debt service payments related to the State High Project borrowing approved through the referendum. This cost is projected to be offset by a \$2,984,000 use of committed debt service fund balance.



- The District is required to report expenses to PDE using defined functional groupings. Functions reported in the chart below include:
  - Instruction (57%) - Includes all activities dealing directly with the interaction between teachers and students and related costs, which can be directly attributed to a program of instruction. This does not include administrative instructional support costs. Payments to charter schools are also defined as instructional expense.
  - Support Services (31%) – Includes student support services (i.e. guidance, health, social work), instructional support (i.e. curriculum development, library), plant services, transportation, information technology and administrative support (i.e. principals, human resources, tax collection, legal, accounting).
  - Non-Instructional Services (2%) - Activities concerned with providing non-instructional services to students, staff or the community such as student activities, athletics and community services.
  - Other Expenditures and Financing Uses (10%) – Includes transfers from the general fund to fund debt service payments and deferred maintenance projects. Also, includes other expenditures/fees and budgetary reserves.



### **Fund Balance**

- The budget includes:
  - Use of Committed Fund Balance- Fund balance for debt service was committed to fund debt payments through fiscal year 2031-32. The proposed 2025-26 budget includes usage of \$2,984,000 of committed Debt Service Fund Balance.
  - This budget does not include a transfer to the Capital Reserve Fund
  - Projected ending Unassigned General Fund Balance for 2025-26 is \$12,938,366, which is 6.12% of budgeted expense. The maximum percentage allowed by PDE is 8%.

### **District Facts**

- Eight elementary schools
- Three middle schools (including Delta Middle School)
- Two high schools (including Delta High School)
- 2,820 elementary students
- 1,578 middle school students (including Delta Middle School)
- 2,402 high school students (including Delta High School)
- 1,354 employees
- 676 teachers
- Covers 150 square miles
- Transportation system providing service to district, charter and private students
- District operated school breakfast and lunch program
- Community education programs including after school and summer extended learning opportunities

## **Pennsylvania School Law**

The School Law of Pennsylvania, as enacted by the Commonwealth legislature, requires that public school districts approve an annual budget on the modified accrual basis for the operation of the General Revenue Fund prior to the start of the fiscal year. The Board of School Directors of each district is further required to make these budgets available for public inspection at least 20 days prior to their adoption. Once approved by the district's Board of School Directors, these budgets become the approved spending plan of the district for the coming year, and the Board is prohibited from spending or obligating funds in excess of these amounts. The Board is authorized to transfer funds within the budget during the last nine months of the fiscal year. Unused appropriations revert to the fund balance at the end of each fiscal year. The school district designates a portion of this fund balance by an amount equal to outstanding encumbrances at year end.

### **Board of School Directors**

Dr. Amy Bader, President  
Dr. Deborah Anderson, Vice-President  
Ms. Gretchen Brandt  
Dr. Peter Buck  
Dr. Carline Crevecoeur  
Dr. Anne Demo  
Ms. Jacqueline Huff  
Mr. Dan Kolbe  
Dr. Aaron Miller

### **Administration**

Curtis Johnson, Superintendent  
Dr. Jonathan Bucher, Assistant Superintendent for Secondary Education  
Danielle Yoder, Assistant Superintendent for Elementary Education  
Michelle Simpson, Director of Human Resources  
Randy Brown, Finance & Operations Officer  
Joseph Viglione, Assistant Business Administrator

*State College Area School District*  
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State College, PA 16801  
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*Mission: To prepare students for lifelong success through excellence in education.*

**State College Area School District**  
**General Fund Revenue**  
**Proposed Final Budget - 2025-26**

**LOCAL**

CURRENT REAL ESTATE TAX	\$ 124,719,958
REAL ESTATE TAX-REFERENDUM DEBT	4,943,153
EARNED INCOME TAX	23,340,000
REALTY TRANSFER TAX	2,500,000
DELINQUENT REAL ESTATE TAX	1,100,000
INTERIM REAL ESTATE TAX	600,000
IDEA-B	1,041,465
PAYMENTS IN LIEU OF TAX	700,000
LOCAL SERVICES TAX	371,000
TUITION	1,906,071
MISC LOCAL REVENUE	579,238
PUBLIC UTILITY REALTY TAX	117,190
INTEREST ON INVESTMENTS	2,250,000
<b>TOTAL LOCAL</b>	<b>164,168,075</b>

**STATE**

BASIC ED INSTR SUBSIDY	13,884,000
SPECIAL ED REVENUE	3,655,188
REV. FOR RETIREMENT	15,806,908
REV. FOR SOCIAL SECURITY	3,527,061
PROPERTY TAX REDUCTION	2,496,328
TRANSPORTATION REVENUE	800,000
BOND REIMBURSEMENTS	914,158
HEALTH SERVICES REVENUE	140,000
READY TO LEARN GRANT	310,013
VOCATIONAL EDUCATION	226,000
TUITION - 1305/1306	130,000
<b>TOTAL STATE</b>	<b>41,889,656</b>

**FEDERAL**

TITLE I REVENUE	825,000
TITLE II REVENUE	155,000
ACCESS FUNDS	350,000
OTHER FEDERAL REVENUE	110,000
TITLE III REVENUE	35,000
<b>TOTAL FEDERAL</b>	<b>1,475,000</b>

<b>TOTAL REVENUE</b>	<b>\$ 207,532,731</b>
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**State College Area School District**  
**General Fund Expenses and Fund Balance Transfers**  
**Proposed Final Budget - 2025-26**

Salaries	\$ 94,092,591
Health Insurance	21,211,679
PSERS	31,613,816
Other Benefits	9,057,781
Professional Services	5,583,626
Purchased Property Services	1,787,324
Charter School Expense	7,116,000
Other Purchased Services	8,580,207
Supplies/Equipment	10,463,755
Deferred Maintenance	2,486,752
Transfers/contingencies/fees	2,058,344
Debt Service	12,215,425
Debt Service - Referendum Debt	5,255,375
<b>Total Expense before Transfers</b>	<b>\$ 211,522,675</b>
Transfer to Capital Reserve	-
<b>Total Expense including Transfers</b>	<b>\$ 211,522,675</b>
Fund Balance Commitment/(Use) - Debt Service	(2,984,000)
Fund Balance Commitment/(Use) - Health Insurance	-
<b>Total fund balance commitment/(use)</b>	<b>\$ (2,984,000)</b>
<b>Total Expenses and Transfers</b>	<b>\$ 208,538,675</b>

**State College Area School District  
General Fund Activity  
Proposed Final Budget - 2025-26**

Beginning Fund Balance	<u>\$ 13,944,310</u>
Revenue	\$ 207,532,731
Local	164,168,075
State	41,889,656
Federal	1,475,000
<b>Expense (including Capital Reserve transfer)</b>	<u>\$ 211,522,675</u>
<b>Revenue less of expense</b>	<u>\$ (3,989,944)</u>
Funding/(Use) of Committed Fund Balance - Debt Service	\$ (2,984,000)
Funding/(Use) of Committed Fund Balance - Health Insurance	\$ -
<b>Change in Committed Fund Balance</b>	<u><b>\$ (2,984,000)</b></u>
<b>Change in Unassigned Fund Balance</b>	<u><b>\$ (1,005,944)</b></u>
<b>Ending Unassigned Fund Balance</b>	<u><b>\$ 12,938,366</b></u>
<b>Unassigned Fund Balance Percentage</b>	<u><b>6.12%</b></u>