



**Budget Development FY 2012-2013  
Frequently Asked Questions  
Developed from Community Forum held on Thursday, March 1, 2012**

The below frequently asked questions were drawn from the feedback and discussion at the community forum on March 1, 2012, and reviewed by the CAC for Finance. The answers were then generated by the appropriate district administrators.

**1. What are the “exceptions” we keep hearing about? Has the district decided to pursue these, and where does that money go?**

- By law, the amount that school districts can raise property taxes is capped. However, the district has three exceptions available to exceed the cap; increased pension expenses, increased special education costs, and some forms of debt. In 2012-13, the district is qualified to receive exceptions for special education costs and increase pension expenses. These exceptions allow the district to raise taxes above its 1.7% cap without going to referendum. The total allowable tax increase with exceptions is 3.3%.
- In the district’s recommended budget, a 2.7% tax increase was included, largely for increased pension expenses. As budget estimates are refined, the district will consider changes to the recommended tax increase.

**2. How can the district propose a budget, even at this point, with all the unknowns regarding contracts, health care, etc? What happened with the extra money the district received after the state passed its budget last year? What will happen if the district gets extra money this year?**

- The district was required to submit a preliminary budget, even before Governor Corbett made his budget proposal. Likewise, the district must submit their final budget in June, but there is no guarantee that the state budget will be completed at that time. Budget estimates must be made, and they will be revised as more information is obtained.
- Last year, the district received a little over \$1 million from the state, which was not contained in the Governor’s original budget proposal. In July of 2011, the district submitted a revised budget that put this money aside for future facilities needs. If additional funds come to the district this year, the district would need to consider how best to use these funds based on its needs and priorities.

**3. Can you describe the roles of the new K-5 instructional coaches that were recommended? Who will they be helping and working with? Will those roles expand to grade 6 and will it include training paraprofessionals and guest teachers (substitutes)?**

- The district has funded some form of instructional coaching for many years, but they were eliminated in 2009-2010 to reduce costs. However, that change was considered temporary at that time, pending a more complete review of the district’s curriculum support model for teachers.
- The focus of the instructional coaches is to facilitate growth in instructional practices that will enable teachers to diagnose student needs analytically, plan productively, and teach effectively to improve student learning. The instructional coaches will work with K-5 teachers with the goal of eventually expanding to 6th grade.

**4. What will a \$400,000 reduction in technology look like? If we have this decrease in technology, will we be providing less than optimal technology options for students?**

- For details relating to the district's technology budget, please view the technology budget analysis report shared with the school board on January 20, 2012. This may be obtained via <http://www.scasd.org/Page/16817>.
  - Our current budget for student hardware is \$1.8 million.
  - We plan to save \$100,000 in reduced software licenses.
- On a per student basis, the district's expenditures for equipment and supplies are one of the highest when compared with our high performing cohort districts.
- An update about the future of technology will be provided in the near future. The district will continue to provide appropriate technology for student use, while seeking the greatest educational return on taxpayers' investments.

**5. Why does the school district continue to raise taxes?**

- The district experiences required costs that continue to increase.
  - The district receives approximately 18% of its budget from state and federal sources. Last year alone, this subsidy shrank by more than \$1 million. The remainder of funds is generated locally, mainly through real estate tax. To keep the budget balanced, the district has used a mix of cost reductions in some areas coupled with modest tax increases.
  - Should this proposed budget gain approval by the school board, this would be the first time since 1998 that the State College Area School District would experience back-to-back property tax increases this low (less than 3%).

**6. What are the risks/benefits of attritional reductions?**

- The benefits of attritional reductions are that district costs decrease and furloughs can be reduced or avoided. The risks are if an increase in enrollment occurs in future years, some of the reduced positions reduced may need to be restored.

**7. How many teachers (average) retire/resign each year?**

- Typically between 20 and 30 staff members retire or resign each year.

**8. What's all the talk about PSERS? Why does the District continue to offer a defined benefit pension plan through PSERS? Is the district doing anything to help pre-fund the PSERS scenarios?**

- The Pennsylvania School Employees Retirement System (PSERS) is a public pension system mandated by the state. The district does not have the ability to opt-out of the defined benefit plan or change it in any way. The district recognizes that it needs to address the growing costs of the pension plan in advance of the costs beginning to grow. The district has pre-funded over \$9 million of these costs. Beginning in 2013-2014, the district will begin to draw down its fund balance to decrease the needed tax burden going forward. By the end of the decade, PSERS costs should be fully funded.

**9. Why is the district not considering participation fees? Are there any funds we can use to help with participation fees?**

- The board and administration have studied the issue of participation fees for three years. At this point, participation fees are not proposed. However, the district will continue to consider participation fees for future years.
- The district's concern is that fees may reduce the educational experiences that students gain through extra- and co-curricular activities.
- The district will continue to study potential revenue-generating aspects for extra- and co-curricular activities. Currently, there are no funds established specifically for this purpose.

**10. What is the District doing with the High School project?**

- The District is in the process of hiring a firm to help with the high school design process.
- However, Governor Corbett's budget proposal calls for a moratorium on state reimbursement for school projects so that the process of reimbursement can be studied. Since the District does not want to forego the possibility of the state sharing some of the costs of construction, the district is waiting for further clarity on this issue. The district hopes that the Pennsylvania Department of Education will be providing guidance within the next few months.
- When the project begins to move forward, the district will share all aspects of the design process with the entire community. The district will seek community input relating to each aspect of the project. Following the development of a conceptual design, the district will hold a referendum on the high school project. This will allow voters to decide whether or not the district should borrow money and raise taxes in order to update the high school.