



Randy L. Brown, Business Administrator
131 West Nittany Avenue
State College, PA 16801
814-231-1021
rlb21@scasd.org

To: Robert J. O'Donnell
From: Randy L. Brown
Date: February 21, 2014
Subject: PA Governor's budget proposal for 2014-2015

At the February 4, 2014 meeting, we had a discussion of the major funding areas related to the PA Governor's budget proposal for 2014-2015. This discussion showed level funding in the majority of these areas. In this discussion, we looked at the impact of the Governor's budget proposal specifically on our district.

The Governor's proposed 2014-2015 budget includes level or essentially level funding in basic education subsidy, special education revenue, transportation revenue, and vocational education when compared to the 2013-2014 funding.

PA accountability block grants are slated to increase by \$282,898 as part of the Ready to Learn Block Grant (RTL). RTL funding is targeted at programs regarding Ready by third grade, STEM education and supplemental/customized instruction. Districts must apply for this funding. At this point, the district is eligible for the increased funding, which will become available following the approval of an application for the designated use.

The Governor's proposal also includes a collar on the employer PSERS contribution of 2.25% per year, meaning the maximum increase in the PSERS percentage assessed to the district would increase by only 2.25% instead of 4.5% currently in place. The effect of the collar could mean an additional \$600,000 for capital expenditures. The Business Office has received advice to continue to use the current PSERS employer contribution rate until the state budget is completed.

On another note, when comparing the 2014-2015 proposed state revenue with the actual state revenue received in 2010-2011, the district is expecting to receive \$1.2 million less. The primary decrease resulting from the loss of charter school reimbursement revenue. This analysis does not include retirement reimbursement revenue.

STATE COLLEGE AREA SCHOOL DISTRICT
STATE REVENUE ANALYSIS - GOVERNOR'S PROPOSAL FEBRUARY 2014
2014-2015

	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	Projected 2013-2014	Projected 2014-2015	Governor's Proposed	Difference	Change since 2010-2011
STATE REVENUE								
BASIC ED SUBSIDY	\$6,562,725	\$6,307,886	\$6,307,823	\$6,494,034	\$6,494,034	\$6,494,034	\$0	-\$68,691
SPECIAL ED REVENUE	3,221,641	3,221,641	3,221,641	3,220,000	3,220,000	3,221,641	1,641	0
REV. FOR RETIREMENT	1,579,651	2,304,441	3,592,029	4,750,000	6,050,000	6,050,000	0	4,470,349
REV. FOR SOCIAL SECURITY	2,196,963	2,097,492	2,096,277	2,147,891	2,172,631	2,172,631	0	-24,332
PROPERTY TAX REDUCTION	1,439,768	1,426,724	1,419,456	1,419,456	1,419,456	1,419,456	0	-20,312
TRANSPORTATION REVENUE	833,654	805,782	796,138	600,000	600,000	600,000	0	-233,654
BOND REIMBURSEMENTS	224,819	526,049	71,507	80,000	80,000	80,000	0	-144,819
HEALTH SERVICES REVENUE	147,470	137,064	138,654	140,000	140,000	140,000	0	-7,470
PA ACCOUNTABILITY GRANT	326,914	128,440	128,440	128,440	128,440	411,338	282,898	84,424
VOCATIONAL EDUCATION	107,202	105,362	107,040	107,040	107,040	107,040	0	-162
CHARTER REIMB/OTHER	831,904	34,010	5,717	0	0	0	0	-831,904
TUITION - 1305/1306	60,337	99,487	149,213	80,000	80,000	80,000	0	19,663
TOTAL STATE	<u>\$17,533,048</u>	<u>\$17,194,378</u>	<u>\$18,033,935</u>	<u>\$19,166,861</u>	<u>\$20,491,601</u>	<u>\$20,776,140</u>	<u>\$284,539</u>	<u>\$3,243,092</u>
TOTAL WITHOUT RETIREMENT	<u>\$15,953,397</u>	<u>\$14,889,937</u>	<u>\$14,441,906</u>	<u>\$14,416,861</u>	<u>\$14,441,601</u>	<u>\$14,726,140</u>	<u>\$284,539</u>	<u>-\$1,227,257</u>

STATE COLLEGE AREA SCHOOL DISTRICT
STATE REVENUE ANALYSIS - GOVERNOR'S PROPOSAL FEBRUARY 2014
2014-2015

		PROJECTED 2014-2015
BUDGET SALARIES		57,960,000
PSERS		
PROJECTED	21.31%	12,100,000
GOVERNOR'S PROPOSAL (2.25% COLLAR)	19.18%	10,900,000
DECREASE IN EXPENSES		1,200,000
DECREASE IN REVENUE / NET AVAILABLE FOR CAPITAL		600,000