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VI-C1

To: Robert J. O'Donnell
From: Randy L. Brown and Donna Watson
Date: March 13, 2014
Subject: 2014-2015 Budget Update

Since the last board meeting, we have completed additional analyses related to the budget development process as is the case this time each year. These analyses relate primarily to further review of the 2013-2014 projected expenses. An additional month of fiscal experience results in more accurate projections.

Updated 2013-2014 revenue and expense projections

For 2013-2014, revenue is projected to be higher than budget by slightly more than \$1 million. The primary source of this increase is earned income tax (EIT) revenue. You may remember that this was the case in 2012-2013 as well. Our analysis of EIT revenue has resulted in a proposed budget increase in 2014-2015 of 2.0% and increases of 2.0% to 2.5% in future years. The revenue projections completed at this time last year held EIT constant at \$14 million for the foreseeable future as a result of the downturn in the economy. It is our belief we are using a conservative inflation factor when considering the growth of the last ten years.

Real estate tax revenue is projecting extremely close to expectations following the recent growth in assessed value over the past year. Assessed value growth of 1.50% to 1.70% is expected during the projection period. Again, this is the average growth in the past decade, which is believed to be an accurate representation of future growth. The business office continues to collaborate closely with the county assessment and regional code offices to monitor assessed value growth in the district.

Expenses for 2013-2014 in total are generally trending similar to the budget. The primary exception is medical insurance expense. The recent changes in the medical insurance plan coverage, eligibility, and premium co-share have led to lower expenses. Higher than budgeted purchase service and supply expenses are expected to offset much of these

savings. Approximately \$400,000 in savings is expected to be available for an additional transfer to capital reserve. The extensive capital needs existing in the district should provide sufficient rationale for the increase in this transfer. The administration will review the amount of the capital reserve transfer with the board prior to the end of the fiscal year for approval.

These financial results should provide an ending unassigned fund balance of approximately \$9.6 million, which is slightly less than eight percent of expenses. For our district, eight percent is the maximum unassigned fund balance allowed by the Pennsylvania Department of Education (PDE). Our local auditors, ParenteBeard cited the Government Finance Officers Association (GFOA) recommendation of an ending fund balance of five to 15%. More recently the GFOA recommended two months of expenses, or about 17% of budgeted expenses to be held in fund balance. Since we do not have that ability, we recommend maintaining an unassigned fund balance just below eight percent. Additional rationale for maintaining unassigned fund balance at this level relates to our S&P Bond rating. Our most recent rating included the recommendation to build and maintain strong fund balances in the general fund in order to improve our bond rating. As we have discussed previously, the higher our bond rating, the lower our interest costs for borrowing.

We currently have assigned fund balances for the employer share of the PSERS liability and the legal liability. The assigned fund balances are \$8.5 million and \$2.2 million, respectively. These assigned funds are budgeted to be used for these purposes over the next decade. In order to build and maintain a strong fund balance while the assigned fund balances for PSERS and legal liability are decreasing, administration proposes an additional assignment of fund balance. The recommendation proposes that a portion of the capital reserve transfer remain in the general fund as an assigned fund balance for capital projects. This action allows the district to maintain strong fund balance in the general fund while still appropriate reserves for funding capital projects, namely the high school and two elementary projects, in the foreseeable future.

The fund balance in the capital reserve fund is expected to equal \$13 million at June 30, 2014. Following this recommendation, transfers into the capital reserve fund would continue through 2014-2015 leaving a balance of approximately \$8 million after deducting the \$10 million committed for the high school project.

Budget projections including real estate tax increase scenarios of 2.10%, 1.95%, and 1.70% for 2014-2015

As discussed previously, the real estate tax increase for 2014-2015 has been limited to 2.10% by board resolution in January 2014. The projected real estate tax increase of 2.10% generates an additional \$1.6 million in revenue over the prior year. Other scenarios which have been considered include an increase of 1.95% and 1.70% which generate \$120,000 and \$320,000 less than the 2.10% increase, respectively. It should be noted that the projected fund balance at June 30, 2020 would be \$800,000 and \$2,000,000 lower with the 1.95% and 1.70% real estate tax increases in 2014-2015 compared to a 2.10% increase. The schedules attached assume a 2.10% (Act 1 Index) tax increase for the years following 2014-2015. Previous projections used the prior Act 1 Index of 1.70%.

The 2.10% tax increase scenario was most recently recommended by the administration based upon the financial analysis completed prior to the last board meeting. The analyses

completed since that recommendation was made has provided confidence that an increase of 1.95% would enable the district to add the programs outline below and support district operations moving forward including the capital plan. An increase of 1.70% would fund most of the new program costs, but would also decrease the amount available for future capital improvements.

At this point in the budget development process, the administration recommends a refined tax increase of 1.95% to the board. We would also add that this recommendation is made assuming a positive referendum in May 2014. The reason for this limitation is that a positive referendum allows for funding of the majority of the costs of the new construction and renovations planned for the high school campus. This would allow the district general and capital reserve budgets to focus primarily on other facility needs throughout the district.

Other considerations

Projections for state and federal revenue are held flat in light of the decline in recent years. Charter school expenses rose by \$500,000 from 2012-2013 to 2013-2014 due to increases in enrollment and per pupil cost. The 2014-2015 budget assumes a decrease in enrollment will offset any increase in the rate per student. A reduction of 13 charter students is assumed knowing that there are currently nine commitments from existing charter school students to our Delta middle school program. The expense projections include increases based upon contracts and historical trend inflationary factors. In addition, the legal liability payments have been reflected in the budget projections. Since resources for these payments have been allocated in assigned fund balances, the fund balance used is also included as an offset to expenses. Although the PSERS pre-funding strategy is included in this proposal, we plan to have an updated analysis at the April 7 meeting.

The new program recommendations including additions to middle school literacy, Delta middle school and a development function are included in these projections.

The summary below shows the cost of the tax increases to the average taxpayer.

State College Area School District Estimated Tax Increase 2014-2015 Budget			
Projected Tax Rates			
	2.10%	1.95%	1.70%
Per \$ 20,000 Assessed Value	\$ 16	\$ 15	\$ 13
Average Taxpayer \$ 71,300 Assessed Value	\$ 58	\$ 54	\$ 47

As shown on the fund balance analysis the unassigned fund balance is held to the eight percent maximum level. Fund balance in excess of the eight percent maximum is either transferred to the capital reserve fund or assigned for capital use in the general fund. This is a change in presentation from the schedules provided previously.

State College Area School District
Fund Balance Summary
3.17.2014
2.1% Tax Increase

	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
General Unassigned	8,837,673	9,608,391	9,940,513	10,366,062	10,783,760	11,097,952	11,397,805	11,730,219
General Assigned PSERS	8,515,818	8,572,225	7,990,301	6,699,757	5,235,552	4,082,695	3,199,137	2,665,570
General Assigned Legal Liability	3,000,000	2,200,000	1,650,000	1,100,000	550,000	-	-	-
General Assigned Capital	-	-	-	3,488,000	6,567,000	7,888,000	9,127,000	10,311,000
Total General Fund	20,353,491	20,380,616	19,580,814	21,653,819	23,136,312	23,068,647	23,723,942	24,706,789
Capital Fund	8,556,582	13,189,582	7,941,582	7,941,582	7,941,582	7,941,582	7,941,582	7,941,582
Total Fund Balance	28,910,073	33,570,198	27,522,396	29,595,401	31,077,894	31,010,229	31,665,524	32,648,371

General Fund without Capital	20,353,491	20,380,616	19,580,814	18,165,819	16,569,312	15,180,647	14,596,942	14,395,789
Assigned Capital + Capital Fund	8,556,582	13,189,582	7,941,582	11,429,582	14,508,582	15,829,582	17,068,582	18,252,582
Total Fund Balance	28,910,073	33,570,198	27,522,396	29,595,401	31,077,894	31,010,229	31,665,524	32,648,371

State College Area School District
Fund Balance Analysis
3.17.2014

2.1% Tax Increase

General Fund - Unassigned	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
Beginning Balance	10,190,204	8,837,673	9,608,391	9,940,513	10,366,062	10,783,760	11,097,952	11,397,805
Revenue less Expense	(1,352,531)	770,718	332,123	425,548	417,698	314,192	299,853	332,414
Ending Fund Balance	8,837,673	9,608,391	9,940,513	10,366,062	10,783,760	11,097,952	11,397,805	11,730,219
	7.38%	7.92%	7.88%	7.89%	7.91%	7.90%	7.91%	7.91%

General Fund - Assigned	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
PSERS								
Beginning Balance	11,000,000	8,515,818	8,572,225	7,990,301	6,699,757	5,235,552	4,082,695	3,199,137
Additions	515,818	56,407						
Uses	(3,000,000)		(581,924)	(1,290,544)	(1,464,205)	(1,152,857)	(883,558)	(533,567)
Ending Fund Balance	8,515,818	8,572,225	7,990,301	6,699,757	5,235,552	4,082,695	3,199,137	2,665,570
Legal Liability								
Beginning Balance	-	3,000,000	2,200,000	1,650,000	1,100,000	550,000	-	-
Additions	3,000,000							
Uses	-	(800,000)	(550,000)	(550,000)	(550,000)	(550,000)		
Ending Fund Balance	3,000,000	2,200,000	1,650,000	1,100,000	550,000	-	-	-
Capital								
Beginning Balance	-	-	-	-	3,488,000	6,567,000	7,888,000	9,127,000
Additions				3,488,000	3,079,000	1,321,000	1,239,000	1,184,000
Transfer to Capital Fund	-							
Ending Fund Balance	-	-	-	3,488,000	6,567,000	7,888,000	9,127,000	10,311,000
General Fund - Assigned	11,515,818	10,772,225	9,640,301	11,287,757	12,352,552	11,970,695	12,326,137	12,976,570

State College Area School District
Fund Balance Analysis
3.17.2014

2.1% Tax Increase

	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
Capital Reserve Fund								
Project Cost \$115 million								
Referendum \$85 million								
1/2 mill District contribution								
Beginning Balance	8,900,000	8,556,582	13,189,582	7,941,582	7,941,582	7,941,582	7,941,582	7,941,582
Additions	2,656,582	4,633,000	4,752,000	1,090,000	1,090,000	3,090,000	3,090,000	3,090,000
Uses								
High School			(10,000,000)	(1,090,000)	(1,090,000)	(1,090,000)	(1,090,000)	(1,090,000)
Other Facilities Round 1						(2,000,000)	(2,000,000)	(2,000,000)
Other Facilities Round 2								
Memorial Field	(3,000,000)							
Total Uses	(3,000,000)	-	(10,000,000)	(1,090,000)	(1,090,000)	(3,090,000)	(3,090,000)	(3,090,000)
Net Change	(343,418)	4,633,000	(5,248,000)	-	-	-	-	-
Ending Fund Balance	8,556,582	13,189,582	7,941,582	7,941,582	7,941,582	7,941,582	7,941,582	7,941,582

State College Area School District
 General Fund Budget Projections
 2.1% Tax Increase
 3.17.2014

<i>Assumptions:</i>								
<i>Earned Income Tax Growth</i>			<i>2.00%</i>	<i>2.10%</i>	<i>2.20%</i>	<i>2.30%</i>	<i>2.40%</i>	<i>2.50%</i>
<i>Assessed Value Growth</i>	<i>1.00%</i>	<i>1.65%</i>	<i>1.50%</i>	<i>1.50%</i>	<i>1.60%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>
<i>Exceptions</i>	<i>0.70%</i>	<i>1.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>
<i>Act 1 Index</i>	<i>1.70%</i>	<i>1.70%</i>	<i>2.10%</i>	<i>2.10%</i>	<i>2.10%</i>	<i>2.10%</i>	<i>2.10%</i>	<i>2.10%</i>
	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
Revenue	118,950,222	121,274,970	125,276,507	130,018,849	134,794,749	139,051,446	143,518,954	148,047,288
Local	99,704,828	101,433,112	104,129,000	107,503,000	111,087,000	114,851,000	118,775,000	122,859,000
State	18,033,935	19,116,858	20,502,507	21,870,849	23,062,749	23,555,446	24,098,954	24,543,288
Federal	1,211,459	725,000	645,000	645,000	645,000	645,000	645,000	645,000
Expenses	<u>120,302,753</u>	<u>120,504,252</u>	<u>124,944,384</u>	<u>129,593,300</u>	<u>134,377,051</u>	<u>138,737,254</u>	<u>143,219,101</u>	<u>147,714,874</u>
Change in Fund Balance	<u>-1,352,531</u>	<u>770,718</u>	<u>332,123</u>	<u>425,548</u>	<u>417,698</u>	<u>314,192</u>	<u>299,853</u>	<u>332,414</u>
Use of Fund Balance (PSERS/legal)	<u>515,818</u>	<u>-743,593</u>	<u>-1,131,924</u>	<u>-1,840,544</u>	<u>-2,014,205</u>	<u>-1,702,857</u>	<u>-883,558</u>	<u>-533,567</u>
Tax Increase Actual/Projected	<u>2.40%</u>	<u>2.70%</u>	<u>2.10%</u>	<u>2.10%</u>	<u>2.10%</u>	<u>2.10%</u>	<u>2.10%</u>	<u>2.10%</u>
Existing debt service	6,132,255	6,252,675	5,348,828	5,250,000	5,330,000	5,099,000	5,091,000	5,001,000
Assigned Capital Transfer	0	0	0	3,488,000	3,079,000	1,321,000	1,239,000	1,184,000
Capital Reserve Transfer	2,656,582	4,633,000	4,752,000	1,090,000	1,090,000	3,090,000	3,090,000	3,090,000
	<u>8,788,837</u>	<u>10,885,675</u>	<u>10,100,828</u>	<u>9,828,000</u>	<u>9,499,000</u>	<u>9,510,000</u>	<u>9,420,000</u>	<u>9,275,000</u>

State College Are School District
 2.1% Tax Increase
 3.17.2014

<i>Assumptions:</i>								
<i>Earned Income Tax Growth</i>		<i>2.00%</i>	<i>2.10%</i>	<i>2.20%</i>	<i>2.30%</i>	<i>2.40%</i>	<i>2.50%</i>	
<i>Assessed Value Growth</i>	<i>1.00%</i>	<i>1.65%</i>	<i>1.50%</i>	<i>1.50%</i>	<i>1.60%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>
<i>Exceptions</i>	<i>0.70%</i>	<i>1.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>
<i>Act 1 Index</i>	<i>1.70%</i>	<i>1.70%</i>	<i>2.10%</i>	<i>2.10%</i>	<i>2.10%</i>	<i>2.10%</i>	<i>2.10%</i>	<i>2.10%</i>
	2012-2013	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	Actual	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
LOCAL SERVICES TAX								
CURRENT REAL ESTATE TAX	77,275,529	80,138,112	83,020,000	86,010,000	89,190,000	92,580,000	96,100,000	99,750,000
REAL ESTATE TAX - HS DEBT								
EARNED INCOME TAX	15,420,269	15,250,000	15,560,000	15,890,000	16,240,000	16,610,000	17,010,000	17,440,000
REALTY TRANSFER TAX	1,637,407	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
DELINQUENT REAL ESTATE TAX	1,804,760	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	477,534	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000
IDEA-B	843,509	600,000	600,000	600,000	600,000	600,000	600,000	600,000
PAYMENTS IN LIEU OF TAX	456,418	450,000	450,000	450,000	450,000	450,000	450,000	450,000
LOCAL SERVICES TAX	389,813	375,000	379,000	383,000	387,000	391,000	395,000	399,000
MISC LOCAL REVENUE/TUITION	1,152,491	800,000	800,000	800,000	800,000	800,000	800,000	800,000
PUBLIC UTILITY REALTY TAX	121,626	120,000	120,000	120,000	120,000	120,000	120,000	120,000
INTEREST ON INVESTMENTS	<u>125,472</u>	<u>100,000</u>	<u>100,000</u>	<u>150,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
TOTAL LOCAL	99,704,828	101,433,112	104,129,000	107,503,000	111,087,000	114,851,000	118,775,000	122,859,000
STATE								
BASIC ED INSTR SUBSIDY	6,307,823	6,440,619	6,440,619	6,440,619	6,440,619	6,440,619	6,440,619	6,440,619
SPECIAL ED REVENUE-REGULR	3,221,641	3,220,000	3,220,000	3,220,000	3,220,000	3,220,000	3,220,000	3,220,000
REV. FOR RETIREMENT	3,592,029	4,758,445	6,115,420	7,450,000	8,600,000	9,050,000	9,550,000	9,950,000
REV. FOR SOCIAL SECURITY	2,096,277	2,142,858	2,171,532	2,205,294	2,247,194	2,289,891	2,333,399	2,377,733
PROPERTY TAX REDUCTION	1,419,456	1,419,456	1,419,456	1,419,456	1,419,456	1,419,456	1,419,456	1,419,456
TRANSPORTATION REVENUE	796,138	600,000	600,000	600,000	600,000	600,000	600,000	600,000
BOND REIMBURSEMENTS	71,507	80,000	80,000	80,000	80,000	80,000	80,000	80,000
HEALTH SERVICES REVENUE	138,654	140,000	140,000	140,000	140,000	140,000	140,000	140,000
PA ACCOUNTABILITY GRANT	128,440	128,440	128,440	128,440	128,440	128,440	128,440	128,440
VOCATIONAL EDUCATION	107,040	107,040	107,040	107,040	107,040	107,040	107,040	107,040
OTHER STATE REVENUE	5,717	0	0	0	0	0	0	0
TUITION - 1305/1306	<u>149,213</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
TOTAL STATE	18,033,935	19,116,858	20,502,507	21,870,849	23,062,749	23,555,446	24,098,954	24,543,288
FEDERAL								
TITLE I REVENUE	690,429	400,000	400,000	400,000	400,000	400,000	400,000	400,000
TITLE II REVENUE	215,675	180,000	100,000	100,000	100,000	100,000	100,000	100,000
ACCESS FUNDS	48,752	50,000	50,000	50,000	50,000	50,000	50,000	50,000
OTHER FEDERAL REVENUE	193,566	60,000	60,000	60,000	60,000	60,000	60,000	60,000
TITLE III REVENUE	<u>63,037</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
TOTAL FEDERAL	1,211,459	725,000	645,000	645,000	645,000	645,000	645,000	645,000
TOTAL REVENUE	118,950,222	121,274,970	125,276,507	130,018,849	134,794,749	139,051,446	143,518,954	148,047,288

State College Are School District
Expense Projections
2.1% Act 1 Projection
3.17.2014

	2012-2013 Actual	2013-2014 Projected	2014-2015 Projected	2015-2016 Projected	2016-2017 Projected	2017-2018 Projected	2018-2019 Projected	2019-2020 Projected
Salaries	57,878,650	57,165,752	57,930,679	58,831,362	59,949,158	61,088,192	62,248,867	63,431,596
Health Insurance	10,768,522	11,034,825	12,359,179	13,804,076	15,084,484	16,492,932	18,042,225	19,746,448
PSERS	6,998,597	9,516,889	12,230,840	14,900,000	17,200,000	18,100,000	19,100,000	19,900,000
Other Benefits	5,827,603	5,886,204	5,961,928	6,100,000	6,200,000	6,300,000	6,400,000	6,500,000
Professional Services	2,651,916	3,412,242	4,170,202	4,240,000	4,310,000	4,380,000	4,450,000	4,530,000
Purchased Property Services	2,024,560	2,037,142	2,062,916	2,100,000	2,140,000	2,180,000	2,220,000	2,260,000
Other Purchased Services	9,558,592	10,209,345	10,215,560	10,390,000	10,570,000	10,750,000	10,930,000	11,120,000
Supplies/Equipment	5,418,452	5,646,530	5,739,856	5,830,000	5,920,000	6,010,000	6,100,000	6,190,000
Minor Capital Projects	1,893,550	2,015,409	2,055,717	2,096,831	2,138,768	2,181,543	2,225,174	2,269,678
Athletics/Fees/Other (1)	7,977,656	3,437,832	3,248,603	3,313,575	3,379,847	3,447,444	2,966,392	3,025,720
Debt Service (2)	6,132,255	6,252,675	5,348,828	5,250,000	5,330,000	5,099,000	5,091,000	5,001,000
Transfer to Capital Reserve/Assignment (2)	2,656,582	4,633,000	4,752,000	4,578,000	4,169,000	4,411,000	4,329,000	4,274,000
Fund Balance Use (PSERS/Legal)	515,818	-743,593	-1,131,924	-1,840,544	-2,014,205	-1,702,857	-883,558	-533,567
Total Expenses and Fund Balance Use	120,302,753	120,504,252	124,944,384	129,593,300	134,377,051	138,737,254	143,219,101	147,714,874

(1) Includes legal liability payments

(2) Beginning 2014-2015, minimum Cap Res/Assignment Transfer equal to the difference between \$9 million less current debt service expense. Maintain at least \$9 million in budget between current debt service and transfer to Cap Reserve/Assignment.

State College Area School District
Fund Balance Summary
3.17.2014
1.95% Tax Increase

	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
General Unassigned	8,837,673	9,608,391	9,932,513	10,356,062	10,772,760	11,091,952	11,381,805	11,719,219
General Assigned PSERS	8,515,818	8,572,225	7,990,301	6,699,757	5,235,552	4,082,695	3,199,137	2,665,570
General Assigned Legal Liability	3,000,000	2,200,000	1,650,000	1,100,000	550,000	-	-	-
General Assigned Capital	-	-	-	3,360,000	6,310,000	7,486,000	8,585,000	9,614,000
Total General Fund	20,353,491	20,380,616	19,572,814	21,515,819	22,868,312	22,660,647	23,165,942	23,998,789
Capital Fund	8,556,582	13,189,582	7,829,582	7,829,582	7,829,582	7,829,582	7,829,582	7,829,582
Total Fund Balance	28,910,073	33,570,198	27,402,396	29,345,401	30,697,894	30,490,229	30,995,524	31,828,371

General Fund without Capital	20,353,491	20,380,616	19,572,814	18,155,819	16,558,312	15,174,647	14,580,942	14,384,789
Assigned Capital + Capital Fund	8,556,582	13,189,582	7,829,582	11,189,582	14,139,582	15,315,582	16,414,582	17,443,582
Total Fund Balance	28,910,073	33,570,198	27,402,396	29,345,401	30,697,894	30,490,229	30,995,524	31,828,371

State College Area School District
Fund Balance Analysis
3.17.2014

1.95% Tax Increase

General Fund - Unassigned	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
Beginning Balance	10,190,204	8,837,673	9,608,391	9,932,513	10,356,062	10,772,760	11,091,952	11,381,805
Revenue less Expense	(1,352,531)	770,718	324,123	423,548	416,698	319,192	289,853	337,414
Ending Fund Balance	8,837,673	9,608,391	9,932,513	10,356,062	10,772,760	11,091,952	11,381,805	11,719,219
	7.38%	7.92%	7.89%	7.89%	7.91%	7.91%	7.91%	7.91%

General Fund - Assigned	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
PSERS								
Beginning Balance	11,000,000	8,515,818	8,572,225	7,990,301	6,699,757	5,235,552	4,082,695	3,199,137
Additions	515,818	56,407						
Uses	(3,000,000)		(581,924)	(1,290,544)	(1,464,205)	(1,152,857)	(883,558)	(533,567)
Ending Fund Balance	8,515,818	8,572,225	7,990,301	6,699,757	5,235,552	4,082,695	3,199,137	2,665,570
Legal Liability								
Beginning Balance	-	3,000,000	2,200,000	1,650,000	1,100,000	550,000	-	-
Additions	3,000,000							
Uses	-	(800,000)	(550,000)	(550,000)	(550,000)	(550,000)		
Ending Fund Balance	3,000,000	2,200,000	1,650,000	1,100,000	550,000	-	-	-
Capital								
Beginning Balance	-	-	-	-	3,360,000	6,310,000	7,486,000	8,585,000
Additions				3,360,000	2,950,000	1,176,000	1,099,000	1,029,000
Transfer to Capital Fund	-							
Ending Fund Balance	-	-	-	3,360,000	6,310,000	7,486,000	8,585,000	9,614,000
General Fund - Assigned	11,515,818	10,772,225	9,640,301	11,159,757	12,095,552	11,568,695	11,784,137	12,279,570

State College Area School District
Fund Balance Analysis
3.17.2014

1.95% Tax Increase

	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
Capital Reserve Fund								
Project Cost \$115 million								
Referendum \$85 million								
1/2 mill District contribution								
Beginning Balance	8,900,000	8,556,582	13,189,582	7,829,582	7,829,582	7,829,582	7,829,582	7,829,582
Additions	2,656,582	4,633,000	4,640,000	1,090,000	1,090,000	3,090,000	3,090,000	3,090,000
Uses								
High School			(10,000,000)	(1,090,000)	(1,090,000)	(1,090,000)	(1,090,000)	(1,090,000)
Other Facilities Round 1						(2,000,000)	(2,000,000)	(2,000,000)
Other Facilities Round 2								
Memorial Field	(3,000,000)							
Total Uses	(3,000,000)	-	(10,000,000)	(1,090,000)	(1,090,000)	(3,090,000)	(3,090,000)	(3,090,000)
Net Change	(343,418)	4,633,000	(5,360,000)	-	-	-	-	-
Ending Fund Balance	8,556,582	13,189,582	7,829,582	7,829,582	7,829,582	7,829,582	7,829,582	7,829,582

State College Area School District
 General Fund Budget Projections
 1.95% Tax Increase
 3.17.2014

<i>Assumptions:</i>								
<i>Earned Income Tax Growth</i>			<i>2.00%</i>	<i>2.10%</i>	<i>2.20%</i>	<i>2.30%</i>	<i>2.40%</i>	<i>2.50%</i>
<i>Assessed Value Growth</i>	<i>1.00%</i>	<i>1.65%</i>	<i>1.50%</i>	<i>1.50%</i>	<i>1.60%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>
<i>Exceptions</i>	<i>0.70%</i>	<i>1.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>
<i>Act 1 Index</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.95%</i>	<i>2.10%</i>	<i>2.10%</i>	<i>2.10%</i>	<i>2.10%</i>	<i>2.10%</i>
	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
Revenue	118,950,222	121,274,970	125,156,507	129,888,849	134,664,749	138,911,446	143,368,954	147,897,288
Local	99,704,828	101,433,112	104,009,000	107,373,000	110,957,000	114,711,000	118,625,000	122,709,000
State	18,033,935	19,116,858	20,502,507	21,870,849	23,062,749	23,555,446	24,098,954	24,543,288
Federal	1,211,459	725,000	645,000	645,000	645,000	645,000	645,000	645,000
Expenses	<u>120,302,753</u>	<u>120,504,252</u>	<u>124,832,384</u>	<u>129,465,300</u>	<u>134,248,051</u>	<u>138,592,254</u>	<u>143,079,101</u>	<u>147,559,874</u>
Change in Fund Balance	<u>-1,352,531</u>	<u>770,718</u>	<u>324,123</u>	<u>423,548</u>	<u>416,698</u>	<u>319,192</u>	<u>289,853</u>	<u>337,414</u>
Use of Fund Balance (PSERS/legal)	<u>515,818</u>	<u>-743,593</u>	<u>-1,131,924</u>	<u>-1,840,544</u>	<u>-2,014,205</u>	<u>-1,702,857</u>	<u>-883,558</u>	<u>-533,567</u>
Tax Increase Actual/Projected	<u>2.40%</u>	<u>2.70%</u>	<u>1.95%</u>	<u>2.10%</u>	<u>2.10%</u>	<u>2.10%</u>	<u>2.10%</u>	<u>2.10%</u>
Existing debt service	6,132,255	6,252,675	5,348,828	5,250,000	5,330,000	5,099,000	5,091,000	5,001,000
Assigned Capital Transfer	0	0	0	3,360,000	2,950,000	1,176,000	1,099,000	1,029,000
Capital Reserve Transfer	2,656,582	4,633,000	4,640,000	1,090,000	1,090,000	3,090,000	3,090,000	3,090,000
	<u>8,788,837</u>	<u>10,885,675</u>	<u>9,988,828</u>	<u>9,700,000</u>	<u>9,370,000</u>	<u>9,365,000</u>	<u>9,280,000</u>	<u>9,120,000</u>

State College Are School District
1.95% Tax Increase
3.17.2014

<i>Assumptions:</i>								
<i>Earned Income Tax Growth</i>		<i>2.00%</i>	<i>2.10%</i>	<i>2.20%</i>	<i>2.30%</i>	<i>2.40%</i>	<i>2.50%</i>	
<i>Assessed Value Growth</i>	<i>1.00%</i>	<i>1.65%</i>	<i>1.50%</i>	<i>1.50%</i>	<i>1.60%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>
<i>Exceptions</i>	<i>0.70%</i>	<i>1.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>
<i>Act 1 Index</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.95%</i>	<i>2.10%</i>	<i>2.10%</i>	<i>2.10%</i>	<i>2.10%</i>	<i>2.10%</i>
	2012-2013	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	Actual	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
LOCAL SERVICES TAX								
CURRENT REAL ESTATE TAX	77,275,529	80,138,112	82,900,000	85,880,000	89,060,000	92,440,000	95,950,000	99,600,000
REAL ESTATE TAX - HS DEBT								
EARNED INCOME TAX	15,420,269	15,250,000	15,560,000	15,890,000	16,240,000	16,610,000	17,010,000	17,440,000
REALTY TRANSFER TAX	1,637,407	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
DELINQUENT REAL ESTATE TAX	1,804,760	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	477,534	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000
IDEA-B	843,509	600,000	600,000	600,000	600,000	600,000	600,000	600,000
PAYMENTS IN LIEU OF TAX	456,418	450,000	450,000	450,000	450,000	450,000	450,000	450,000
LOCAL SERVICES TAX	389,813	375,000	379,000	383,000	387,000	391,000	395,000	399,000
MISC LOCAL REVENUE/TUITION	1,152,491	800,000	800,000	800,000	800,000	800,000	800,000	800,000
PUBLIC UTILITY REALTY TAX	121,626	120,000	120,000	120,000	120,000	120,000	120,000	120,000
INTEREST ON INVESTMENTS	125,472	100,000	100,000	150,000	200,000	200,000	200,000	200,000
TOTAL LOCAL	99,704,828	101,433,112	104,009,000	107,373,000	110,957,000	114,711,000	118,625,000	122,709,000
STATE								
BASIC ED INSTR SUBSIDY	6,307,823	6,440,619	6,440,619	6,440,619	6,440,619	6,440,619	6,440,619	6,440,619
SPECIAL ED REVENUE-REGULR	3,221,641	3,220,000	3,220,000	3,220,000	3,220,000	3,220,000	3,220,000	3,220,000
REV. FOR RETIREMENT	3,592,029	4,758,445	6,115,420	7,450,000	8,600,000	9,050,000	9,550,000	9,950,000
REV. FOR SOCIAL SECURITY	2,096,277	2,142,858	2,171,532	2,205,294	2,247,194	2,289,891	2,333,399	2,377,733
PROPERTY TAX REDUCTION	1,419,456	1,419,456	1,419,456	1,419,456	1,419,456	1,419,456	1,419,456	1,419,456
TRANSPORTATION REVENUE	796,138	600,000	600,000	600,000	600,000	600,000	600,000	600,000
BOND REIMBURSEMENTS	71,507	80,000	80,000	80,000	80,000	80,000	80,000	80,000
HEALTH SERVICES REVENUE	138,654	140,000	140,000	140,000	140,000	140,000	140,000	140,000
PA ACCOUNTABILITY GRANT	128,440	128,440	128,440	128,440	128,440	128,440	128,440	128,440
VOCATIONAL EDUCATION	107,040	107,040	107,040	107,040	107,040	107,040	107,040	107,040
OTHER STATE REVENUE	5,717	0	0	0	0	0	0	0
TUITION - 1305/1306	149,213	80,000	80,000	80,000	80,000	80,000	80,000	80,000
TOTAL STATE	18,033,935	19,116,858	20,502,507	21,870,849	23,062,749	23,555,446	24,098,954	24,543,288
FEDERAL								
TITLE I REVENUE	690,429	400,000	400,000	400,000	400,000	400,000	400,000	400,000
TITLE II REVENUE	215,675	180,000	100,000	100,000	100,000	100,000	100,000	100,000
ACCESS FUNDS	48,752	50,000	50,000	50,000	50,000	50,000	50,000	50,000
OTHER FEDERAL REVENUE	193,566	60,000	60,000	60,000	60,000	60,000	60,000	60,000
TITLE III REVENUE	63,037	35,000	35,000	35,000	35,000	35,000	35,000	35,000
TOTAL FEDERAL	1,211,459	725,000	645,000	645,000	645,000	645,000	645,000	645,000
TOTAL REVENUE	118,950,222	121,274,970	125,156,507	129,888,849	134,664,749	138,911,446	143,368,954	147,897,288

State College Are School District
Expense Projections
1.95% Tax Increase
3.17.2014

	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Salaries	59,472,381	56,510,531	57,878,650	57,165,752	57,930,679	58,831,362	59,949,158	61,088,192	62,248,867	63,431,596
Health Insurance	11,302,080	12,774,417	10,768,522	11,034,825	12,359,179	13,804,076	15,084,484	16,492,932	18,042,225	19,746,448
PSERS	3,419,175	4,603,130	6,998,597	9,516,889	12,230,840	14,900,000	17,200,000	18,100,000	19,100,000	19,900,000
Other Benefits	6,058,604	5,655,440	5,827,603	5,886,204	5,961,928	6,100,000	6,200,000	6,300,000	6,400,000	6,500,000
Professional Services	2,540,693	2,531,301	2,651,916	3,412,242	4,170,202	4,240,000	4,310,000	4,380,000	4,450,000	4,530,000
Purchased Property Services	1,964,576	1,911,124	2,024,560	2,037,142	2,062,916	2,100,000	2,140,000	2,180,000	2,220,000	2,260,000
Other Purchased Services	8,789,337	8,973,582	9,558,592	10,209,345	10,215,560	10,390,000	10,570,000	10,750,000	10,930,000	11,120,000
Supplies/Equipment	6,049,582	5,230,570	5,418,452	5,646,530	5,739,856	5,830,000	5,920,000	6,010,000	6,100,000	6,190,000
Minor Capital Projects	1,344,359	1,893,550	1,893,550	2,015,409	2,055,717	2,096,831	2,138,768	2,181,543	2,225,174	2,269,678
Athletics/Fees/Other (1)	1,976,262	1,482,962	7,977,656	3,437,832	3,248,603	3,313,575	3,379,847	3,447,444	2,966,392	3,025,720
Debt Service (2)	5,742,533	5,910,139	6,132,255	6,252,675	5,348,828	5,250,000	5,330,000	5,099,000	5,091,000	5,001,000
Transfer to Capital Reserve/Assignment (2)	1,500,000	1,000,000	2,656,582	4,633,000	4,640,000	4,450,000	4,040,000	4,266,000	4,189,000	4,119,000
Fund Balance Use (PSERS/Legal)	2,000,000	1,000,000	515,818	-743,593	-1,131,924	-1,840,544	-2,014,205	-1,702,857	-883,558	-533,567
Total Expenses and Fund Balance Use	112,159,582	109,476,746	120,302,753	120,504,252	124,832,384	129,465,300	134,248,051	138,592,254	143,079,101	147,559,874

(1) Includes legal liability payments

(2) Beginning 2014-2015, minimum Cap Res/Assignment Transfer equal to the difference between \$9 million less current debt service expense. Maintain at least \$9 million in budget between current debt service and transfer to Cap Reserve/Assignment.

State College Area School District
Fund Balance Summary
3.17.2014
1.7% Tax Increase

	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
General Unassigned	8,837,673	9,608,391	9,922,513	10,346,062	10,752,760	11,066,952	11,376,805	11,604,219
General Assigned PSERS	8,515,818	8,572,225	7,990,301	6,699,757	5,235,552	4,082,695	3,199,137	2,665,570
General Assigned Legal Liability	3,000,000	2,200,000	1,650,000	1,100,000	550,000	-	-	-
General Assigned Capital	-	-	-	3,160,000	5,910,000	6,881,000	7,740,000	8,649,000
Total General Fund	20,353,491	20,380,616	19,562,814	21,305,819	22,448,312	22,030,647	22,315,942	22,918,789
Capital Fund	8,556,582	13,189,582	7,639,582	7,639,582	7,639,582	7,639,582	7,639,582	7,639,582
Total Fund Balance	28,910,073	33,570,198	27,202,396	28,945,401	30,087,894	29,670,229	29,955,524	30,558,371
General Fund without Capital	20,353,491	20,380,616	19,562,814	18,145,819	16,538,312	15,149,647	14,575,942	14,269,789
Assigned Capital + Capital Fund	8,556,582	13,189,582	7,639,582	10,799,582	13,549,582	14,520,582	15,379,582	16,288,582
Total Fund Balance	28,910,073	33,570,198	27,202,396	28,945,401	30,087,894	29,670,229	29,955,524	30,558,371

State College Area School District
Fund Balance Analysis
3.17.2014

1.7% Tax Increase

General Fund - Unassigned								
	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
Beginning Balance	10,190,204	8,837,673	9,608,391	9,922,513	10,346,062	10,752,760	11,066,952	11,376,805
Revenue less Expense	(1,352,531)	770,718	314,123	423,548	406,698	314,192	309,853	227,414
Ending Fund Balance	8,837,673	9,608,391	9,922,513	10,346,062	10,752,760	11,066,952	11,376,805	11,604,219
	7.38%	7.92%	7.89%	7.89%	7.90%	7.90%	7.92%	7.84%
General Fund - Assigned								
	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
PSERS								
Beginning Balance	11,000,000	8,515,818	8,572,225	7,990,301	6,699,757	5,235,552	4,082,695	3,199,137
Additions	515,818	56,407						
Uses	(3,000,000)		(581,924)	(1,290,544)	(1,464,205)	(1,152,857)	(883,558)	(533,567)
Ending Fund Balance	8,515,818	8,572,225	7,990,301	6,699,757	5,235,552	4,082,695	3,199,137	2,665,570
Legal Liability								
Beginning Balance	-	3,000,000	2,200,000	1,650,000	1,100,000	550,000	-	-
Additions	3,000,000							
Uses	-	(800,000)	(550,000)	(550,000)	(550,000)	(550,000)		
Ending Fund Balance	3,000,000	2,200,000	1,650,000	1,100,000	550,000	-	-	-
Capital								
Beginning Balance	-	-	-	-	3,160,000	5,910,000	6,881,000	7,740,000
Additions				3,160,000	2,750,000	971,000	859,000	909,000
Transfer to Capital Fund	-							
Ending Fund Balance	-	-	-	3,160,000	5,910,000	6,881,000	7,740,000	8,649,000
General Fund - Assigned	11,515,818	10,772,225	9,640,301	10,959,757	11,695,552	10,963,695	10,939,137	11,314,570

State College Area School District
Fund Balance Analysis
3.17.2014

1.7% Tax Increase

	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
Capital Reserve Fund								
Project Cost \$115 million								
Referendum \$85 million								
1/2 mill District contribution								
Beginning Balance	8,900,000	8,556,582	13,189,582	7,639,582	7,639,582	7,639,582	7,639,582	7,639,582
Additions	2,656,582	4,633,000	4,450,000	1,090,000	1,090,000	3,090,000	3,090,000	3,090,000
Uses								
High School			(10,000,000)	(1,090,000)	(1,090,000)	(1,090,000)	(1,090,000)	(1,090,000)
Other Facilities Round 1						(2,000,000)	(2,000,000)	(2,000,000)
Other Facilities Round 2								
Memorial Field	(3,000,000)							
Total Uses	(3,000,000)	-	(10,000,000)	(1,090,000)	(1,090,000)	(3,090,000)	(3,090,000)	(3,090,000)
Net Change	(343,418)	4,633,000	(5,550,000)	-	-	-	-	-
Ending Fund Balance	8,556,582	13,189,582	7,639,582	7,639,582	7,639,582	7,639,582	7,639,582	7,639,582

State College Area School District
 General Fund Budget Projections
 1.7% Tax Increase
 3.17.2014

<i>Assumptions:</i>								
<i>Earned Income Tax Growth</i>			<i>2.00%</i>	<i>2.10%</i>	<i>2.20%</i>	<i>2.30%</i>	<i>2.40%</i>	<i>2.50%</i>
<i>Assessed Value Growth</i>	<i>1.00%</i>	<i>1.65%</i>	<i>1.50%</i>	<i>1.50%</i>	<i>1.60%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>
<i>Exceptions</i>	<i>0.70%</i>	<i>1.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>
<i>Act 1 Index</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>2.10%</i>	<i>2.10%</i>	<i>2.10%</i>	<i>2.10%</i>	<i>2.10%</i>
	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
Revenue	118,950,222	121,274,970	124,956,507	129,688,849	134,454,749	138,701,446	143,148,954	147,667,288
Local	99,704,828	101,433,112	103,809,000	107,173,000	110,747,000	114,501,000	118,405,000	122,479,000
State	18,033,935	19,116,858	20,502,507	21,870,849	23,062,749	23,555,446	24,098,954	24,543,288
Federal	1,211,459	725,000	645,000	645,000	645,000	645,000	645,000	645,000
Expenses	<u>120,302,753</u>	<u>120,504,252</u>	<u>124,642,384</u>	<u>129,265,300</u>	<u>134,048,051</u>	<u>138,387,254</u>	<u>142,839,101</u>	<u>147,439,874</u>
Change in Fund Balance	<u>-1,352,531</u>	<u>770,718</u>	<u>314,123</u>	<u>423,548</u>	<u>406,698</u>	<u>314,192</u>	<u>309,853</u>	<u>227,414</u>
Use of Fund Balance (PSERS/legal)	<u>515,818</u>	<u>-743,593</u>	<u>-1,131,924</u>	<u>-1,840,544</u>	<u>-2,014,205</u>	<u>-1,702,857</u>	<u>-883,558</u>	<u>-533,567</u>
Tax Increase Actual/Projected	<u>2.40%</u>	<u>2.70%</u>	<u>1.70%</u>	<u>2.10%</u>	<u>2.10%</u>	<u>2.10%</u>	<u>2.10%</u>	<u>2.10%</u>
Existing debt service	6,132,255	6,252,675	5,348,828	5,250,000	5,330,000	5,099,000	5,091,000	5,001,000
Assigned Capital Transfer	0	0	0	3,160,000	2,750,000	971,000	859,000	909,000
Capital Reserve Transfer	2,656,582	4,633,000	4,450,000	1,090,000	1,090,000	3,090,000	3,090,000	3,090,000
	<u>8,788,837</u>	<u>10,885,675</u>	<u>9,798,828</u>	<u>9,500,000</u>	<u>9,170,000</u>	<u>9,160,000</u>	<u>9,040,000</u>	<u>9,000,000</u>

State College Are School District
 1.7% Tax Increase
 3.17.2014

<i>Assumptions:</i>								
<i>Earned Income Tax Growth</i>		<i>2.00%</i>	<i>2.10%</i>	<i>2.20%</i>	<i>2.30%</i>	<i>2.40%</i>	<i>2.50%</i>	
<i>Assessed Value Growth</i>	<i>1.00%</i>	<i>1.65%</i>	<i>1.50%</i>	<i>1.50%</i>	<i>1.60%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>
<i>Exceptions</i>	<i>0.70%</i>	<i>1.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>
<i>Act 1 Index</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>2.10%</i>	<i>2.10%</i>	<i>2.10%</i>	<i>2.10%</i>	<i>2.10%</i>
	2012-2013	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	Actual	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
LOCAL SERVICES TAX								
CURRENT REAL ESTATE TAX	77,275,529	80,138,112	82,700,000	85,680,000	88,850,000	92,230,000	95,730,000	99,370,000
REAL ESTATE TAX - HS DEBT								
EARNED INCOME TAX	15,420,269	15,250,000	15,560,000	15,890,000	16,240,000	16,610,000	17,010,000	17,440,000
REALTY TRANSFER TAX	1,637,407	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
DELINQUENT REAL ESTATE TAX	1,804,760	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	477,534	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000
IDEA-B	843,509	600,000	600,000	600,000	600,000	600,000	600,000	600,000
PAYMENTS IN LIEU OF TAX	456,418	450,000	450,000	450,000	450,000	450,000	450,000	450,000
LOCAL SERVICES TAX	389,813	375,000	379,000	383,000	387,000	391,000	395,000	399,000
MISC LOCAL REVENUE/TUITION	1,152,491	800,000	800,000	800,000	800,000	800,000	800,000	800,000
PUBLIC UTILITY REALTY TAX	121,626	120,000	120,000	120,000	120,000	120,000	120,000	120,000
INTEREST ON INVESTMENTS	<u>125,472</u>	<u>100,000</u>	<u>100,000</u>	<u>150,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
TOTAL LOCAL	99,704,828	101,433,112	103,809,000	107,173,000	110,747,000	114,501,000	118,405,000	122,479,000
STATE								
BASIC ED INSTR SUBSIDY	6,307,823	6,440,619	6,440,619	6,440,619	6,440,619	6,440,619	6,440,619	6,440,619
SPECIAL ED REVENUE-REGULR	3,221,641	3,220,000	3,220,000	3,220,000	3,220,000	3,220,000	3,220,000	3,220,000
REV. FOR RETIREMENT	3,592,029	4,758,445	6,115,420	7,450,000	8,600,000	9,050,000	9,550,000	9,950,000
REV. FOR SOCIAL SECURITY	2,096,277	2,142,858	2,171,532	2,205,294	2,247,194	2,289,891	2,333,399	2,377,733
PROPERTY TAX REDUCTION	1,419,456	1,419,456	1,419,456	1,419,456	1,419,456	1,419,456	1,419,456	1,419,456
TRANSPORTATION REVENUE	796,138	600,000	600,000	600,000	600,000	600,000	600,000	600,000
BOND REIMBURSEMENTS	71,507	80,000	80,000	80,000	80,000	80,000	80,000	80,000
HEALTH SERVICES REVENUE	138,654	140,000	140,000	140,000	140,000	140,000	140,000	140,000
PA ACCOUNTABILITY GRANT	128,440	128,440	128,440	128,440	128,440	128,440	128,440	128,440
VOCATIONAL EDUCATION	107,040	107,040	107,040	107,040	107,040	107,040	107,040	107,040
OTHER STATE REVENUE	5,717	0	0	0	0	0	0	0
TUITION - 1305/1306	<u>149,213</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
TOTAL STATE	18,033,935	19,116,858	20,502,507	21,870,849	23,062,749	23,555,446	24,098,954	24,543,288
FEDERAL								
TITLE I REVENUE	690,429	400,000	400,000	400,000	400,000	400,000	400,000	400,000
TITLE II REVENUE	215,675	180,000	100,000	100,000	100,000	100,000	100,000	100,000
ACCESS FUNDS	48,752	50,000	50,000	50,000	50,000	50,000	50,000	50,000
OTHER FEDERAL REVENUE	193,566	60,000	60,000	60,000	60,000	60,000	60,000	60,000
TITLE III REVENUE	<u>63,037</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
TOTAL FEDERAL	1,211,459	725,000	645,000	645,000	645,000	645,000	645,000	645,000
TOTAL REVENUE	118,950,222	121,274,970	124,956,507	129,688,849	134,454,749	138,701,446	143,148,954	147,667,288

State College Are School District
Expense Projections
1.7% Tax Increase
3.17.2014

	2012-2013 Actual	2013-2014 Projected	2014-2015 Projected	2015-2016 Projected	2016-2017 Projected	2017-2018 Projected	2018-2019 Projected	2019-2020 Projected
Salaries	57,878,650	57,165,752	57,930,679	58,831,362	59,949,158	61,088,192	62,248,867	63,431,596
Health Insurance	10,768,522	11,034,825	12,359,179	13,804,076	15,084,484	16,492,932	18,042,225	19,746,448
PSERS	6,998,597	9,516,889	12,230,840	14,900,000	17,200,000	18,100,000	19,100,000	19,900,000
Other Benefits	5,827,603	5,886,204	5,961,928	6,100,000	6,200,000	6,300,000	6,400,000	6,500,000
Professional Services	2,651,916	3,412,242	4,170,202	4,240,000	4,310,000	4,380,000	4,450,000	4,530,000
Purchased Property Services	2,024,560	2,037,142	2,062,916	2,100,000	2,140,000	2,180,000	2,220,000	2,260,000
Other Purchased Services	9,558,592	10,209,345	10,215,560	10,390,000	10,570,000	10,750,000	10,930,000	11,120,000
Supplies/Equipment	5,418,452	5,646,530	5,739,856	5,830,000	5,920,000	6,010,000	6,100,000	6,190,000
Minor Capital Projects	1,893,550	2,015,409	2,055,717	2,096,831	2,138,768	2,181,543	2,225,174	2,269,678
Athletics/Fees/Other (1)	7,977,656	3,437,832	3,248,603	3,313,575	3,379,847	3,447,444	2,966,392	3,025,720
Debt Service (2)	6,132,255	6,252,675	5,348,828	5,250,000	5,330,000	5,099,000	5,091,000	5,001,000
Transfer to Capital Reserve/Assignment (2)	2,656,582	4,633,000	4,450,000	4,250,000	3,840,000	4,061,000	3,949,000	3,999,000
Fund Balance Use (PSERS/Legal)	515,818	-743,593	-1,131,924	-1,840,544	-2,014,205	-1,702,857	-883,558	-533,567
Total Expenses and Fund Balance Use	120,302,753	120,504,252	124,642,384	129,265,300	134,048,051	138,387,254	142,839,101	147,439,874

(1) Includes legal liability payments

(2) Beginning 2014-2015, minimum Cap Res/Assignment Transfer equal to the difference between \$9 million less current debt service expense.

Maintain at least \$9 million in budget between current debt service and transfer to Cap Reserve/Assignment.