



STATE COLLEGE AREA SCHOOL DISTRICT  
Office of Finance and Operations  
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To: Curtis Johnson  
From: Randy Brown and Donna Watson  
Subject: 2023-2024 Budget Development  
Date: January 19, 2023

The administration recommends approval of the Accelerated Budget Opt Out Resolution certifying the tax rate within the inflation index (Act 1 of 2006) of 4.1% for the 2023-2024 Fiscal Year. This recommendation follows preliminary budget discussions since December.

The resolution and PDE form 2028 budget document for the proposed 2023-2024 budget are attached as well.

STATE COLLEGE AREA SCHOOL DISTRICT  
(Centre County, Pennsylvania)

**Accelerated Budget Opt Out Resolution Certifying Tax Rate Within Inflation Index  
(and No Need to Comply with Act 1 Accelerated Budget Procedures)**

**Background.** Act I § 311(a), 53 P.S. § 6926.311( a), requires an accelerated budget adoption timeline and procedure unless a school district, no later than 110 days before the primary election, adopts a resolution containing the certifications incorporated in this resolution. The deadline this year is January 26, 2023. After adoption of a resolution containing such certifications, § 311(d) authorizes a school district to comply with pre-Act I budget adoption rules as set forth in School Code § 687, 24 P.S. § 6-687. The School Board has reviewed the school district preliminary budget or has other information sufficient to make a determination that the budget for the next fiscal year can be funded based on maintaining current tax rates or increasing taxes by an amount less than or equal to the Act I index. In lieu of the Act I budget adoption timeline and procedure, the School Board wishes to make the required certifications and comply with pre-Act I budget adoption rules.

**RESOLVED**, that the Board of School Directors of State College Area School District, makes the following unconditional certifications:

1. The school district's various tax levies and other revenue sources will be sufficient to balance the school district final budget for the next fiscal year (2023-2024) based on maintaining current tax rates or increasing tax rates by an amount less than or equal to the Act 1 index applicable to the school district as calculated by the Pennsylvania Department of Education. This conclusion is based on the school district preliminary budget or other information available to the School Board.
2. The applicable index for the next fiscal year is 4.1%, and the School Board will not for the next fiscal year increase the rate of its real estate tax, or any other tax for the support of public education, by an amount that exceeds the applicable index.
3. The School Board has to date and in the future will comply with the rules set forth in School Code § 687 for adoption of the school district proposed and final budgets for the next fiscal year.
4. The School Board understands that the school district will not be eligible to use Act 1 referendum exceptions for the next fiscal year.

Duly adopted by the State College Area School District (Centre County, Pennsylvania) in lawful session assembled on this 23rd day of January, 2023.

STATE COLLEGE AREA SCHOOL  
DISTRICT

Attest:

\_\_\_\_\_  
President, Board of School Directors

\_\_\_\_\_  
Secretary

Per Act 1 §§ 311 (d)(2)(ii) and (iii), the school district must, within 5 days after adoption of this resolution submit to PDE: (1) on a PDE prescribed form, information on any proposed tax increase - Real Estate Tax Rate Report; and (2) a copy of this resolution.

ITEM

AMOUNTS

**Estimated Beginning Unreserved Fund Balance Available for Appropriation and Reserves Scheduled For Liquidation During The Fiscal Year**

- 0810 Nonspendable Fund Balance
- 0820 Restricted Fund Balance
- 0830 Committed Fund Balance
- 0840 Assigned Fund Balance
- 0850 Unassigned Fund Balance

**Total Estimated Beginning Unreserved Fund Balance Available for Appropriation and Reserves Scheduled For Liquidation During The Fiscal Year**

**Estimated Revenues And Other Financing Sources**

- 6000 Revenue from Local Sources 144,558,095
- 7000 Revenue from State Sources 1,421,949
- 8000 Revenue from Federal Sources
- 9000 Other Financing Sources

**Total Estimated Revenues And Other Financing Sources \$145,980,044**

**Total Estimated Fund Balance, Revenues, and Other Financing Sources Available for Appropriation \$145,980,044**

Amount

**REVENUE FROM LOCAL SOURCES**

6111 Current Real Estate Taxes	119,366,095
6140 Current Act 511 Taxes - Flat Rate Assessments	412,000
6150 Current Act 511 Taxes - Proportional Assessments	24,780,000

**REVENUE FROM LOCAL SOURCES \$144,558,095**

**REVENUE FROM STATE SOURCES**

7340 State Property Tax Reduction Allocation	1,421,949
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**REVENUE FROM STATE SOURCES \$1,421,949**

**TOTAL ESTIMATED REVENUES AND OTHER SOURCES 145,980,044**

Act 1 Index (current): 4.1%

Calculation Method:

Rate

Approx. Tax Revenue from RE Taxes:	\$119,366,095
Amount of Tax Relief for Homestead Exclusions	<u>\$1,421,949</u>
Total Approx. Tax Revenue:	\$120,788,044
Approx. Tax Levy for Tax Rate Calculation:	\$124,226,573

Centre

Total

2022-23 Data		
a. Assessed Value	\$2,462,290,386	\$2,462,290,386
b. Real Estate Mills	47.6544	
<b>I. 2023-24 Data</b>		
c. 2021 STEB Market Value	\$7,954,834,249	\$7,954,834,249
d. Assessed Value	\$2,504,154,011	\$2,504,154,011
e. Assessed Value of New Constr/ Renov	\$0	\$0
<b>2022-23 Calculations</b>		
f. 2022-23 Tax Levy	\$117,338,971	\$117,338,971
(a * b)		
<b>2023-24 Calculations</b>		
g. Percent of Total Market Value	100.00000%	100.00000%
h. Rebalanced 2022-23 Tax Levy	\$117,338,971	\$117,338,971
(f Total * g)		
i. Base Mills Subject to Index	47.6544	
(h / a * 1000) if no reassessment		
(h / (d-e) * 1000) if reassessment		
<b>Calculation of Tax Rates and Levies Generated</b>		
j. Weighted Avg. Collection Percentage	97.20000%	97.20000%
k. Tax Levy Needed	\$124,226,573	\$124,226,573
(Approx. Tax Levy * g)		
<b>I. 2023-24 Real Estate Tax Rate</b>	<b>49.6082</b>	
(k / d * 1000)		
III. m. Tax Levy Generated by Mills	\$124,226,573	\$124,226,573
(l / 1000 * d)		
n. Tax Levy minus Tax Relief for Homestead Exclusions		\$122,804,624
(m - Amount of Tax Relief for Homestead Exclusions)		
o. Net Tax Revenue Generated By Mills		\$119,366,095
(n * Est. Pct. Collection)		

Act 1 Index (current): 4.1%

Calculation Method:

Approx. Tax Revenue from RE Taxes:	\$119,366,095
Amount of Tax Relief for Homestead Exclusions	<u>\$1,421,949</u>
Total Approx. Tax Revenue:	\$120,788,044
Approx. Tax Levy for Tax Rate Calculation:	\$124,226,573

	Centre	Total
<b>Index Maximums</b>		
p. Maximum Mills Based On Index (i * (1 + Index))	49.6082	
q. Mills In Excess of Index (if l > p), (l - p))	0.0000	
r. Maximum Tax Levy Based On Index (p / 1000 * d)	\$124,226,573	\$124,226,573
<b>IV.</b> s. Millage Rate within Index? (If l > p Then No)	Yes	
t. Tax Levy In Excess of Index (if (m > r), (m - r))	\$0	\$0
u. Tax Revenue In Excess of Index (t * Est. Pct. Collection)	\$0	\$0

**Information Related to Property Tax Relief**

V. Assessed Value Exclusion per Homestead	\$0.00	
Number of Homestead/Farmstead Properties		
Median Assessed Value of Homestead Properties		\$0

Act 1 Index (current): 4.1%

<b>Calculation Method:</b>	<b>Rate</b>
<b>Approx. Tax Revenue from RE Taxes:</b>	<b>\$119,366,095</b>
<b>Amount of Tax Relief for Homestead Exclusions</b>	<b><u>\$1,421,949</u></b>
<b>Total Approx. Tax Revenue:</b>	<b>\$120,788,044</b>
<b>Approx. Tax Levy for Tax Rate Calculation:</b>	<b>\$124,226,573</b>

<b>Centre</b>	<b>Total</b>
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State Property Tax Reduction Allocation used for: Homestead Exclusions	\$1,421,949	Lowering RE Tax Rate	\$0		\$1,421,949
Prior Year State Property Tax Reduction Allocation used for: Homestead Exclusions	\$0				\$0
<b>Amount of Tax Relief from State/Local Sources</b>					<b>\$1,421,949</b>

CODE

6111 Current Real Estate Taxes

<u>County Name</u>	<u>Taxable Assessed Value</u>	<u>Real Estate Mills</u>	<u>Tax Levy Generated by Mills</u>	<u>Amount of Tax Relief for Homestead Exclusions</u>	<u>Tax Levy Minus Homestead Exclusions</u>	<u>Percent Collected</u>	<u>Net Tax Revenue Generated By Mills</u>
Centre	2,504,154,011	49.6082	124,226,573			97.20000%	
<b>Totals:</b>	<b>2,504,154,011</b>		<b>124,226,573</b>	- 1,421,949	= 122,804,624	X 97.20000%	= 119,366,095

	<u>Rate</u>		<u>Estimated Revenue</u>
6120 <u>Current Per Capita Taxes, Section 679</u>	\$0.00		0
6140 <u>Current Act 511 Taxes – Flat Rate Assessments</u>	<u>Rate</u>	<u>Add'l Rate (if appl.)</u>	<u>Tax Levy</u>
6141 Current Act 511 Per Capita Taxes	\$0.00	\$0.00	0
6142 Current Act 511 Occupation Taxes – Flat Rate	\$0.00	\$0.00	0
6143 Current Act 511 Local Services Taxes	\$5.00	\$0.00	412,000
6144 Current Act 511 Trailer Taxes	\$0.00	\$0.00	0
6145 Current Act 511 Business Privilege Taxes – Flat Rate	\$0.00	\$0.00	0
6146 Current Act 511 Mechanical Device Taxes – Flat Rate	\$0.00	\$0.00	0
6149 Current Act 511 Taxes, Other Flat Rate Assessments	\$0.00	\$0.00	0
<b>Total Current Act 511 Taxes – Flat Rate Assessments</b>			<b>412,000</b>
6150 <u>Current Act 511 Taxes – Proportional Assessments</u>	<u>Rate</u>	<u>Add'l Rate (if appl.)</u>	<u>Tax Levy</u>
6151 Current Act 511 Earned Income Taxes	0.950%	0.000%	21,980,000
6152 Current Act 511 Occupation Taxes	0.000	0.000	0
6153 Current Act 511 Real Estate Transfer Taxes	0.500%	0.000%	2,800,000
6154 Current Act 511 Amusement Taxes	0.000%	0.000%	0
6155 Current Act 511 Business Privilege Taxes	0.000	0.000	0
6156 Current Act 511 Mechanical Device Taxes – Percentage	0.000%	0.000%	0
6157 Current Act 511 Mercantile Taxes	0.000	0.000	0
6159 Current Act 511 Taxes, Other Proportional Assessments	0	0	0
<b>Total Current Act 511 Taxes – Proportional Assessments</b>			<b>24,780,000</b>
<b>Total Act 511, Current Taxes</b>			<b>25,192,000</b>
<b>Act 511 Tax Limit --&gt;</b>		<b>7,954,834,249 X</b>	<b>12</b>
		<b>Market Value</b>	<b>Mills</b>
			<b>(511 Limit)</b>



Tax Function	Description	Tax Rate Charged in:		Percent Change in Rate	Less than or equal to Index	Index	Additional Tax Rate Charged in:		Percent Change in Rate	Less than or equal to Index
		2022-23 (Rebalanced)	2023-24				2022-23 (Rebalanced)	2023-24		
6111	<u>Current Real Estate Taxes</u> Centre	47.6544	49.6082	4.10%	Yes	4.1%				
	<u>Current Act 511 Taxes – Flat Rate Assessments</u>									
6143	Current Act 511 Local Services Taxes <u>Current Act 511 Taxes – Proportional Assessments</u>	\$5.00	\$5.00	0.00%	Yes	4.1%				
6151	Current Act 511 Earned Income Taxes	0.950%	0.950%	0.00%	Yes	4.1%				
6153	Current Act 511 Real Estate Transfer Taxes	0.500%	0.500%	0.00%	Yes	4.1%				

<b>Account Description</b>	<b>Amounts</b>
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0810 Nonspendable Fund Balance	
0820 Restricted Fund Balance	
0830 Committed Fund Balance	
0840 Assigned Fund Balance	
0850 Unassigned Fund Balance	145,980,044

<b>Total Ending Fund Balance - Committed, Assigned, and Unassigned</b>	<b>\$145,980,044</b>
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**5900 Budgetary Reserve**

<b>Total Estimated Ending Committed, Assigned, and Unassigned Fund Balance and Budgetary Reserve</b>	<b>\$145,980,044</b>
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