



State College Area School District

Randy Brown

Finance and Operations Officer/Open Records Officer

240 VILLA CREST DRIVE • STATE COLLEGE, PENNSYLVANIA • 16801

TELEPHONE: 814-231-1021 • FAX: 814-466-6068

To: Curtis Johnson
From: Randy Brown and Joe Viglione
Subject: 2024-2025 Budget Development
Date: December 18, 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 5.3% for the 2024-2025 Fiscal Year. This recommendation follows preliminary budget discussions in early December. The resolution and PDE form 2028 budget document for the proposed 2024-2025 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 4, 2024. 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 (2024-2025) 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 5.3%, 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 18th day of December, 2023.

STATE COLLEGE AREA SCHOOL DISTRICT

Attest:

Secretary

President, Board of School Directors

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 151,994,108
- 7000 Revenue from State Sources 1,794,014
- 8000 Revenue from Federal Sources
- 9000 Other Financing Sources

Total Estimated Revenues And Other Financing Sources \$153,788,122

Total Estimated Fund Balance, Revenues, and Other Financing Sources Available for Appropriation \$153,788,122

Amount

REVENUE FROM LOCAL SOURCES

6111 Current Real Estate Taxes	126,654,108
6140 Current Act 511 Taxes - Flat Rate Assessments	420,000
6150 Current Act 511 Taxes - Proportional Assessments	24,920,000

REVENUE FROM LOCAL SOURCES \$151,994,108

REVENUE FROM STATE SOURCES

7340 State Property Tax Reduction Allocation	1,794,014
----------------------------------------------	-----------

REVENUE FROM STATE SOURCES \$1,794,014

TOTAL ESTIMATED REVENUES AND OTHER SOURCES 153,788,122

Act 1 Index (current): 5.3%

Calculation Method:

Rate

Approx. Tax Revenue from RE Taxes:	\$126,654,108
Amount of Tax Relief for Homestead Exclusions	<u>\$1,794,014</u>
Total Approx. Tax Revenue:	\$128,448,122
Approx. Tax Levy for Tax Rate Calculation:	\$132,096,594

Centre

Total

2023-24 Data		
a. Assessed Value	\$2,498,788,826	\$2,498,788,826
b. Real Estate Mills	49.6082	
I. 2024-25 Data		
c. 2022 STEB Market Value	\$8,629,602,903	\$8,629,602,903
d. Assessed Value	\$2,528,774,292	\$2,528,774,292
e. Assessed Value of New Constr/ Renov	\$0	\$0
2023-24 Calculations		
f. 2023-24 Tax Levy	\$123,960,416	\$123,960,416
(a * b)		
2024-25 Calculations		
g. Percent of Total Market Value	100.00000%	100.00000%
h. Rebalanced 2023-24 Tax Levy	\$123,960,416	\$123,960,416
(f Total * g)		
i. Base Mills Subject to Index	49.6082	
(h / a * 1000) if no reassessment		
(h / (d-e) * 1000) if reassessment		
Calculation of Tax Rates and Levies Generated		
j. Weighted Avg. Collection Percentage	97.20000%	97.20000%
k. Tax Levy Needed	\$132,096,594	\$132,096,594
(Approx. Tax Levy * g)		
I. 2024-25 Real Estate Tax Rate	52.2374	
(k / d * 1000)		
III. m. Tax Levy Generated by Mills	\$132,096,594	\$132,096,594
(l / 1000 * d)		
n. Tax Levy minus Tax Relief for Homestead Exclusions		\$130,302,580
(m - Amount of Tax Relief for Homestead Exclusions)		
o. Net Tax Revenue Generated By Mills		\$126,654,108
(n * Est. Pct. Collection)		

Act 1 Index (current): 5.3%

Calculation Method:

Approx. Tax Revenue from RE Taxes:	\$126,654,108
Amount of Tax Relief for Homestead Exclusions	<u>\$1,794,014</u>
Total Approx. Tax Revenue:	\$128,448,122
Approx. Tax Levy for Tax Rate Calculation:	\$132,096,594

	Centre	Total
Index Maximums		
p. Maximum Mills Based On Index (i * (1 + Index))	52.2374	
q. Mills In Excess of Index (if l > p), (l - p))	0.0000	
r. Maximum Tax Levy Based On Index (p / 1000 * d)	\$132,096,594	\$132,096,594
IV. 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): 5.3%

Calculation Method:	Rate
Approx. Tax Revenue from RE Taxes:	\$126,654,108
Amount of Tax Relief for Homestead Exclusions	<u>\$1,794,014</u>
Total Approx. Tax Revenue:	\$128,448,122
Approx. Tax Levy for Tax Rate Calculation:	\$132,096,594

Centre	Total
---------------	--------------

State Property Tax Reduction Allocation used for: Homestead Exclusions	\$1,794,014	Lowering RE Tax Rate		\$1,794,014
Prior Year State Property Tax Reduction Allocation used for: Homestead Exclusions				
Amount of Tax Relief from State/Local Sources				\$1,794,014

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	2,528,774,292	52.2374	132,096,594			97.20000%	
Totals:	2,528,774,292		132,096,594	- 1,794,014	= 130,302,580	X 97.20000%	= 126,654,108

	<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	420,000
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

Total Current Act 511 Taxes – Flat Rate Assessments 420,000 420,000

	<u>Rate</u>	<u>Add'l Rate (if appl.)</u>	<u>Tax Levy</u>	<u>Estimated Revenue</u>
6150 <u>Current Act 511 Taxes – Proportional Assessments</u>				
6151 Current Act 511 Earned Income Taxes	0.950%	0.000%	22,420,000	22,420,000
6152 Current Act 511 Occupation Taxes	0.000	0.000	0	0
6153 Current Act 511 Real Estate Transfer Taxes	0.500%	0.000%	2,500,000	2,500,000
6154 Current Act 511 Amusement Taxes	0.000%	0.000%	0	0
6155 Current Act 511 Business Privilege Taxes	0.000	0.000	0	0
6156 Current Act 511 Mechanical Device Taxes – Percentage	0.000%	0.000%	0	0
6157 Current Act 511 Mercantile Taxes	0.000	0.000	0	0
6159 Current Act 511 Taxes, Other Proportional Assessments	0	0	0	0

Total Current Act 511 Taxes – Proportional Assessments 24,920,000 24,920,000

Total Act 511, Current Taxes 25,340,000

Act 511 Tax Limit -->	8,629,602,903 X	12	103,555,235
	Market Value	Mills	(511 Limit)

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
		2023-24 (Rebalanced)	2024-25				2023-24 (Rebalanced)	2024-25		
6111	<u>Current Real Estate Taxes</u> Centre	49.6082	52.2374	5.30%	Yes	5.3%				
	<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	5.3%				
6151	Current Act 511 Earned Income Taxes	0.950%	0.950%	0.00%	Yes	5.3%				
6153	Current Act 511 Real Estate Transfer Taxes	0.500%	0.500%	0.00%	Yes	5.3%				

Account Description	Amounts
----------------------------	----------------

0810 Nonspendable Fund Balance	
0820 Restricted Fund Balance	
0830 Committed Fund Balance	
0840 Assigned Fund Balance	
0850 Unassigned Fund Balance	153,788,122

Total Ending Fund Balance - Committed, Assigned, and Unassigned	\$153,788,122
------------------------------------------------------------------------	----------------------

5900 Budgetary Reserve

Total Estimated Ending Committed, Assigned, and Unassigned Fund Balance and Budgetary Reserve	\$153,788,122
------------------------------------------------------------------------------------------------------	----------------------
