



State College
Area School District

Joseph Viglione

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To: Curtis Johnson

From: Randy Brown and Joe Viglione

Subject: 2025-2026 Budget Development

Date: January 6, 2025

District administration recommends approval of the Accelerated Budget Opt Out Resolution certifying the tax rate within the inflation index (Act 1 of 2006) of 4.0% for the 2025-2026 Fiscal Year. This recommendation follows preliminary budget discussions in early December. The resolution and PDE form 2028 budget document for the proposed 2025-2026 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 30, 2025. 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 (2025-2026) 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 4.0%, 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 13th day of January, 2025.

Attest:

STATE COLLEGE AREA SCHOOL DISTRICT

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.

<u>ITEM</u>	<u>AMOUNTS</u>
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	155,496,637
7000 Revenue from State Sources	2,169,431
8000 Revenue from Federal Sources	
9000 Other Financing Sources	
Total Estimated Revenues And Other Financing Sources	<u>\$157,666,068</u>
Total Estimated Fund Balance, Revenues, and Other Financing Sources Available for Appropriation	<u>\$157,666,068</u>

		<u>Amount</u>
REVENUE FROM LOCAL SOURCES		
6111	Current Real Estate Taxes	129,223,637
6140	Current Act 511 Taxes - Flat Rate Assessments	433,000
6150	Current Act 511 Taxes - Proportional Assessments	25,840,000
REVENUE FROM LOCAL SOURCES		\$155,496,637
REVENUE FROM STATE SOURCES		
7340	State Property Tax Reduction Allocation	2,169,431
REVENUE FROM STATE SOURCES		\$2,169,431
TOTAL ESTIMATED REVENUES AND OTHER SOURCES		157,666,068

Act 1 Index (current): 4.0%

Calculation Method:

Rate

Approx. Tax Revenue from RE Taxes:	\$129,223,637
Amount of Tax Relief for Homestead Exclusions	<u>\$2,169,431</u>
Total Approx. Tax Revenue:	\$131,393,068
Approx. Tax Levy for Tax Rate Calculation:	\$135,115,560

Centre

Total

2024-25 Data		
a. Assessed Value	\$2,528,774,292	\$2,528,774,292
b. Real Estate Mills	50.9228	
I. 2025-26 Data		
c. 2023 STEB Market Value	\$8,678,689,527	\$8,678,689,527
d. Assessed Value	\$2,551,290,130	\$2,551,290,130
e. Assessed Value of New Constr/ Renov	\$0	\$0
2024-25 Calculations		
f. 2024-25 Tax Levy	\$128,772,268	\$128,772,268
(a * b)		
2025-26 Calculations		
g. Percent of Total Market Value	100.00000%	100.00000%
h. Rebalanced 2024-25 Tax Levy	\$128,772,268	\$128,772,268
(f Total * g)		
i. Base Mills Subject to Index	50.9228	
(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	\$135,115,560	\$135,115,560
(Approx. Tax Levy * g)		
I. 2025-26 Real Estate Tax Rate	52.9597	
(k / d * 1000)		
m. Tax Levy Generated by Mills	\$135,115,560	\$135,115,560
(l / 1000 * d)		
n. Tax Levy minus Tax Relief for Homestead Exclusions		\$132,946,129
(m - Amount of Tax Relief for Homestead Exclusions)		
o. Net Tax Revenue Generated By Mills		\$129,223,637
(n * Est. Pct. Collection)		

Act 1 Index (current): 4.0%

Calculation Method:

Rate

Approx. Tax Revenue from RE Taxes:	\$129,223,637
Amount of Tax Relief for Homestead Exclusions	<u>\$2,169,431</u>
Total Approx. Tax Revenue:	\$131,393,068
Approx. Tax Levy for Tax Rate Calculation:	\$135,115,560

Centre

Total

Index Maximums		
p. Maximum Mills Based On Index (i * (1 + Index))	52.9597	
q. Mills In Excess of Index (if (l > p), (l - p))	0.0000	
r. Maximum Tax Levy Based On Index (p / 1000 * d)	\$135,115,560	\$135,115,560
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): 4.0%

Calculation Method:	Rate
Approx. Tax Revenue from RE Taxes:	\$129,223,637
Amount of Tax Relief for Homestead Exclusions	<u>\$2,169,431</u>
Total Approx. Tax Revenue:	\$131,393,068
Approx. Tax Levy for Tax Rate Calculation:	\$135,115,560

	Centre	Total
<hr/>		
State Property Tax Reduction Allocation used for: Homestead Exclusions	\$2,169,431	Lowering RE Tax Rate \$0 \$2,169,431
Prior Year State Property Tax Reduction Allocation used for: Homestead Exclusions	\$0	\$0
Amount of Tax Relief from State/Local Sources		\$2,169,431

CODE									
6111 <u>Current Real Estate Taxes</u>				<u>Amount of Tax Relief for Homestead Exclusions</u>		<u>Tax Levy Minus Homestead Exclusions</u>		<u>Net Tax Revenue Generated By Mills</u>	
<u>County Name</u>	<u>Taxable Assessed Value</u>	<u>Real Estate Mills</u>	<u>Tax Levy Generated by Mills</u>				<u>Percent Collected</u>		
Centre	2,551,290,130	52.9597	135,115,560				97.20000%		
Totals:	2,551,290,130		135,115,560	-	2,169,431	=	132,946,129	X	97.20000% = 129,223,637
				<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>	<u>Estimated Revenue</u>		
6141	Current Act 511 Per Capita Taxes			\$0.00	\$0.00	0	0		
6142	Current Act 511 Occupation Taxes – Flat Rate			\$0.00	\$0.00	0	0		
6143	Current Act 511 Local Services Taxes			\$5.00	\$0.00	433,000	433,000		
6144	Current Act 511 Trailer Taxes			\$0.00	\$0.00	0	0		
6145	Current Act 511 Business Privilege Taxes – Flat Rate			\$0.00	\$0.00	0	0		
6146	Current Act 511 Mechanical Device Taxes – Flat Rate			\$0.00	\$0.00	0	0		
6149	Current Act 511 Taxes, Other Flat Rate Assessments			\$0.00	\$0.00	0	0		
Total Current Act 511 Taxes – Flat Rate Assessments						433,000	433,000		
6150	<u>Current Act 511 Taxes – Proportional Assessments</u>			<u>Rate</u>	<u>Add'l Rate (if appl.)</u>	<u>Tax Levy</u>	<u>Estimated Revenue</u>		
6151	Current Act 511 Earned Income Taxes			0.950%	0.000%	23,340,000	23,340,000		
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						25,840,000	25,840,000		
Total Act 511, Current Taxes							26,273,000		
Act 511 Tax Limit -->					8,678,689,527	X	12	104,144,274	
					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
		2024-25 (Rebalanced)	2025-26				2024-25 (Rebalanced)	2025-26		
6111	<u>Current Real Estate Taxes</u> Centre	50.9228	52.9597	4.00%	Yes	4.0%				
	<u>Current Act 511 Taxes – Flat Rate Assessments</u>									
6143	Current Act 511 Local Services Taxes	\$5.00	\$5.00	0.00%	Yes	4.0%				
	<u>Current Act 511 Taxes – Proportional Assessments</u>									
6151	Current Act 511 Earned Income Taxes	0.950%	0.950%	0.00%	Yes	4.0%				
6153	Current Act 511 Real Estate Transfer Taxes	0.500%	0.500%	0.00%	Yes	4.0%				

Account Description	Amounts
0810 Nonspendable Fund Balance	
0820 Restricted Fund Balance	
0830 Committed Fund Balance	
0840 Assigned Fund Balance	
0850 Unassigned Fund Balance	157,666,068
Total Ending Fund Balance - Committed, Assigned, and Unassigned	\$157,666,068
5900 Budgetary Reserve	
Total Estimated Ending Committed, Assigned, and Unassigned Fund Balance and Budgetary Reserve	\$157,666,068