



State College Area School District

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To: Curtis Johnson
From: Joe Vigilione and Randy Brown
RE: Budget Update
Date: April 30, 2025

The budget, as presented on April 21st, is largely the same, a summary of which is included in the presentation. Administration is monitoring a number of open items including but not limited to:

- Continued Investigation of Health Insurance with Highmark
- Receipt of State Property Tax Reduction Allocation
- Supplemental Property Tax Rebate Program

The 2025-2026 budget, as presented includes \$207.5M in Revenue, \$211.5M in expenses, and the planned utilization of Fund Balance of \$3.0M. The largest portion of Revenue comes from Local sources which primarily consists of Real Estate Tax Revenue and Earned Income Tax Revenue. The largest component of expenses is personnel costs. The planned utilization of fund balance is to fund debt service.

The 2025-2026 budget also includes six new positions as identified in the April 21, 2025 presentation including a Special Education Teacher, Business Education Teacher, School Psychologist, Student Activities and Athletic Manager, Special Education Clerical Position, and a Custodial Position for Physical Plant.

In addition, staff has been monitoring the amount remaining in the Supplemental Property Tax Rebate Program. As of the end of April approximately \$89,000 has been rebated to qualifying residents versus the stated cap of \$100,000 for 2024-2025. This amount will be insufficient to cover all applications received projected at approximately \$110,000 in rebates.

The reason for this increase is due to the expansion of the Commonwealth of Pennsylvania program, whose program criteria the District matches. Key information about the Commonwealth's expansion include:

1. An increase in the maximum income to be eligible for a rebate from \$35,000 to \$45,000
2. An increase in the range of amounts paid to eligible homeowners from \$250-\$600 to \$380-\$1,000, based on income

Regarding the Supplemental Property Tax Rebate Program Board Options include:

- For the 2024-2025 Fiscal Year:
 - Hold allocation firm - this means not all applications will be paid
 - Approve an increase in the allocation

- For the 2025-2026 Fiscal Year:
 - Hold allocation at \$100,000
 - Approve an increase in the allocation

Staff will not process applications until direction is received from the board.

Prior to receipt of the State Property Tax Reduction Allocation for 2025-2026, staff has assessed the impact on the taxpayer. The average impact (amount of tax increase) on all taxable properties is estimated to be \$206, the residential impact is estimated to be \$147.

The next step in the budget process is the budget hearing and board meeting scheduled for May 19th with the final budget adoption (including resolutions for Form PDE-2028, Homestead/Farmstead Exclusion, Annual Tax Levy, and Installment Payment Plan) scheduled for June 2nd.