



The assessed value of the average homeowner in the school district is approximately \$71,300. The last assessment by the county was completed in 1995, therefore the assessed values for new properties added to the tax rolls after 1995 are calculated at 1995 levels.

The referendum tax millage rate is the tax rate necessary to pay the estimated annual debt service on the referendum debt. The attached calculations assume a 1.5% annual increase in assessed value and the resulting value of a mill. The referendum tax will remain in effect until the debt for the State High Project is repaid, currently estimated at 30 years. The estimated millage and tax increase required to repay the referendum debt service is based upon the parameters used in the examples. The amount of millage that may be assessed to taxpayers each year for the duration of the repayment period is only the amount that will generate tax revenue equal to the debt service (principal and interest) due on the referendum debt each year. Therefore, as the value of a mill changes in response to changes in assessed value, the amount of tax millage assessed to individual taxpayers would change as well.

See attached for examples of how the tax increase related to the referendum could be phased. In the first two examples which illustrate the impact of a \$75 million referendum tax, the referendum tax increase would be \$25 in 2014-15, \$106 in 2015-16 and \$37 in 2016-17. These are the years during which the mills related to referendum debt service would be phased in and begin to appear on taxpayers' bills as a separate line item. Once the debt service is in place for the cost of the State High Project, the change in referendum tax would be primarily related to changes in assessed value. The impact of the assumed 1.5% increase in assessed value is illustrated in the attached examples.

The base tax increases shown in the examples increase by the assumed tax increase of either 1.7% or 3.02%. Therefore, during the phase-in years of the referendum borrowing, the total percent tax increase using the \$75 million referendum debt examples would be 2.61%, 5.42% and 2.85% in periods 2014-15, 2015-16 and 2016-17, respectively, assuming a 1.7% base tax increase, or 2.61%, 6.72% and 4.12%, respectively, during these same years assuming a 3.02% base tax increase. Subsequent annual increases are estimated at approximately \$47 (1.52%) to \$105 (2.83%) annually through 2023-24. These increases would result in a range of monthly increases from \$6.00 to \$15.89 through 2016-17, and 3.89 to \$8.78 through 2023-24.

The State High Project website has included a calculator for taxpayers to estimate their own individual tax increases for the referendum debt at several possible referendum amounts. An updated calculator will be provided to estimate base school district tax increases as well as estimates for the referendum debt.

Referendum debt of \$85 million compared to the \$75 million example increases the annual tax for the average homeowner by approximately \$22 beginning in 2016-17 and continuing at approximately \$20 until the bonds are fully paid.

Please note there are many variables used in the district financial projections that will impact actual tax increases. Major variables include interest rates at the time when the bonds will be sold, assessed value growth, and decisions at the state level that affect district

revenues and expenses. The interest rate used in these examples is 5.3%, which represents the historical average rate for AA- rated bonds. Current interest rates for AA-bonds are approximately 4.7%. Revenue projections are based on historical averages, and salaries and benefits projections assume level staffing and operations. The general fund budget projections assume debt service and capital reserve allocations totaling \$9 million to provide resources for allocation to the State High Project and other district capital projects. Finally, the general fund budget projections take into account the December 2012 estimated employer contribution levels for PSERS. The district expects to begin using fund balance reserves to fund PSERS expenses in the 2014-2015 fiscal year, and use of these reserves is projected to continue through 2023-2024.

The administration will continue to communicate the financial projections for the district's general budget and State High Project in the coming months. Further discussion of the 2014-2015 General Fund budget and projected tax increase will occur on December 16.

**State College Area School District  
Budget Projections  
11.21.2013**

**\$75 million Referendum with \$1,632,000 annual budget allocation (approximates 3/4 mill)**

Enter Assessed Value from real estate tax bill:

Average Assessed Value \$ 71,300

<i>Assumptions: Act 1 Index</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>
	<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>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
<b>Base School District Tax</b>											
Millage Tax Rate	38.75	39.41	40.08	40.76	41.45	42.15	42.87	43.60	44.34	45.09	45.86
Estimated Millage Increase		0.66	0.67	0.68	0.69	0.70	0.72	0.73	0.74	0.75	0.77
Estimated Tax Increase		\$ 47	\$ 48	\$ 48	\$ 49	\$ 50	\$ 51	\$ 52	\$ 53	\$ 53	\$ 55
Estimated Base Real Estate Tax Bill	\$ 2,763	\$ 2,810	\$ 2,858	\$ 2,906	\$ 2,955	\$ 3,005	\$ 3,057	\$ 3,109	\$ 3,161	\$ 3,215	\$ 3,270
<b>Referendum Tax</b>											
Estimated Millage		0.35	1.83	2.35	2.32	2.28	2.25	2.21	2.18	2.15	2.12
Estimated Tax Increase (Decrease)		\$ 25	\$ 106	\$ 37	\$ (2)	\$ (2)	\$ (2)	\$ (2)	\$ (2)	\$ (2)	\$ (2)
Estimated Referendum Tax Bill		\$ 25	\$ 131	\$ 168	\$ 165	\$ 163	\$ 160	\$ 158	\$ 156	\$ 153	\$ 151
Estimated Percent Increase (Decrease)		0.91%	3.73%	1.23%	-0.08%	-0.08%	-0.08%	-0.07%	-0.07%	-0.07%	-0.07%
<b>Total Tax</b>											
Total Estimated Real Estate Tax Bill	\$ 2,763	\$ 2,835	\$ 2,989	\$ 3,074	\$ 3,121	\$ 3,168	\$ 3,217	\$ 3,267	\$ 3,317	\$ 3,368	\$ 3,421
<b>Total Estimated Tax Increase</b>		\$ 72	\$ 154	\$ 85	\$ 47	\$ 47	\$ 49	\$ 50	\$ 50	\$ 51	\$ 53
Total Estimated Millage Increase		1.01	2.15	1.20	0.66	0.67	0.69	0.70	0.71	0.72	0.74
<b>Total Estimate Percent Tax Increase</b>		<b>2.61%</b>	<b>5.42%</b>	<b>2.85%</b>	<b>1.52%</b>	<b>1.52%</b>	<b>1.54%</b>	<b>1.54%</b>	<b>1.54%</b>	<b>1.54%</b>	<b>1.56%</b>

The Base School District Tax increase is based upon a 1.7% increase, which represents the Act 1 Index (limit on tax increase) for 2012-2013 and 2013-2014.

The Referendum Tax millage rate increase (decrease) is based upon the amount of revenue needed to cover the estimated debt service divided by the revenue generated by one mill of tax revenue. The value of a mill is budgeted to grow by 1.5% in each year of the projections. The Referendum Tax will remain in effect until the debt for the high school is paid in full (estimated 30 years), following a positive referendum election.

Referendum tax increase in 2013-2014 dollars:

Millage Increase	2.45
Percentage Increase	6.33%

**State College Area School District  
Budget Projections  
11.21.2013**

**\$75 million Referendum with \$1,632,000 annual budget allocation (approximates 3/4 mill)**

Enter Assessed Value from real estate tax bill:

Average Assessed Value \$ 71,300

<i>Assumptions: Act 1 Index</i>	<i>1.70%</i>	<i>1.70%</i>	<i>3.02%</i>	<i>3.02%</i>	<i>3.02%</i>	<i>3.02%</i>	<i>3.02%</i>	<i>3.02%</i>	<i>3.02%</i>	<i>3.02%</i>	<i>3.02%</i>	<i>3.02%</i>
	<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>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	
<b>Base School District Tax</b>												
Millage Tax Rate	38.75	39.41	40.60	41.83	43.09	44.39	45.73	47.11	48.53	50.00	51.51	
Estimated Millage Increase		0.66	1.19	1.23	1.26	1.30	1.34	1.38	1.42	1.47	1.51	
Estimated Tax Increase		\$ 47	\$ 85	\$ 88	\$ 90	\$ 93	\$ 96	\$ 98	\$ 101	\$ 105	\$ 108	
Estimated Base Real Estate Tax Bill	\$ 2,763	\$ 2,810	\$ 2,895	\$ 2,982	\$ 3,072	\$ 3,165	\$ 3,261	\$ 3,359	\$ 3,460	\$ 3,565	\$ 3,673	
<b>Referendum Tax</b>												
Estimated Millage		0.35	1.83	2.35	2.32	2.28	2.25	2.21	2.18	2.15	2.12	
Estimated Tax Increase (Decrease)		\$ 25	\$ 106	\$ 37	\$ (2)	\$ (2)	\$ (2)	\$ (2)	\$ (2)	\$ (2)	\$ (2)	
Estimated Referendum Tax Bill		\$ 25	\$ 131	\$ 168	\$ 165	\$ 163	\$ 160	\$ 158	\$ 156	\$ 153	\$ 151	
Estimated Percent Increase (Decrease)		0.91%	3.73%	1.22%	-0.08%	-0.08%	-0.07%	-0.07%	-0.07%	-0.06%	-0.06%	
<b>Total Tax</b>												
Total Estimated Real Estate Tax Bill	\$ 2,763	\$ 2,835	\$ 3,026	\$ 3,150	\$ 3,237	\$ 3,328	\$ 3,421	\$ 3,517	\$ 3,616	\$ 3,718	\$ 3,824	
Total Estimated Tax Increase		\$ 72	\$ 191	\$ 125	\$ 87	\$ 90	\$ 93	\$ 96	\$ 99	\$ 103	\$ 105	
Total Estimated Millage Increase		1.01	2.67	1.75	1.23	1.27	1.31	1.35	1.39	1.44	1.48	
<b>Total Estimate Percent Tax Increase</b>		<b>2.61%</b>	<b>6.72%</b>	<b>4.12%</b>	<b>2.77%</b>	<b>2.79%</b>	<b>2.80%</b>	<b>2.81%</b>	<b>2.81%</b>	<b>2.84%</b>	<b>2.83%</b>	

The Base School District Tax increase from 2015-16 forward is based upon a 3.02% increase, which represents the average historical base tax increase.

The Referendum Tax millage rate increase (decrease) is based upon the amount of revenue needed to cover the estimated debt service divided by the revenue generated by one mill of tax revenue. The value of a mill is budgeted to grow by 1.5% in each year of the projections. The Referendum Tax will remain in effect until the debt for the high school is paid in full (estimated 30 years), following a positive referendum election.

Referendum tax increase in 2013-2014 dollars:

Millage Increase	2.45
Percentage Increase	6.33%

**State College Area School District  
Budget Projections  
11.21.2013**

**\$85 million Referendum with \$1,090,000 annual budget allocation (approximates 1/2 mill)**

Enter Assessed Value from real estate tax bill:

Average Assessed Value \$ 71,300

<i>Assumptions: Act 1 Index</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>	<i>1.70%</i>
	<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>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
<b>Base School District Tax</b>											
Millage Tax Rate	38.75	39.41	40.08	40.76	41.45	42.15	42.87	43.60	44.34	45.09	45.86
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Estimated Tax Increase		\$ 47	\$ 48	\$ 48	\$ 49	\$ 50	\$ 51	\$ 52	\$ 53	\$ 53	\$ 55
Estimated Base Real Estate Tax Bill	\$ 2,763	\$ 2,810	\$ 2,858	\$ 2,906	\$ 2,955	\$ 3,005	\$ 3,057	\$ 3,109	\$ 3,161	\$ 3,215	\$ 3,270
<b>Referendum Tax</b>											
Estimated Millage		0.35	1.83	2.66	2.62	2.58	2.54	2.51	2.47	2.43	2.40
Estimated Tax Increase (Decrease)		\$ 25	\$ 106	\$ 59	\$ (3)	\$ (3)	\$ (3)	\$ (3)	\$ (3)	\$ (3)	\$ (3)
Estimated Referendum Tax Bill		\$ 25	\$ 131	\$ 190	\$ 187	\$ 184	\$ 181	\$ 179	\$ 176	\$ 173	\$ 171
Estimated Percent Increase (Decrease)		0.91%	3.73%	1.97%	-0.09%	-0.09%	-0.09%	-0.08%	-0.08%	-0.08%	-0.08%
<b>Total Tax</b>											
Total Estimated Real Estate Tax Bill	\$ 2,763	\$ 2,835	\$ 2,989	\$ 3,096	\$ 3,142	\$ 3,189	\$ 3,238	\$ 3,287	\$ 3,337	\$ 3,388	\$ 3,441
Total Estimated Tax Increase		\$ 72	\$ 154	\$ 107	\$ 46	\$ 47	\$ 49	\$ 49	\$ 50	\$ 51	\$ 52
Total Estimated Millage Increase		1.01	2.15	1.50	0.65	0.66	0.68	0.69	0.70	0.71	0.73
<b>Total Estimate Percent Tax Increase</b>		<b>2.61%</b>	<b>5.42%</b>	<b>3.59%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.52%</b>	<b>1.52%</b>	<b>1.52%</b>	<b>1.52%</b>	<b>1.54%</b>

The School District Tax increase is based upon a 1.7% increase, which represents the Act 1 Index (limit on tax increase) for 2012-2013 and 2013-2014.

The Referendum Tax millage rate increase (decrease) is based upon the amount of revenue needed to cover the estimated debt service divided by the revenue generated by one mill of tax revenue. The value of a mill is budgeted to grow by 1.5% in each year of the projections. The Referendum Tax will remain in effect until the debt for the high school is paid in full (estimated 30 years), following a positive referendum election.

Referendum tax increase in 2013-2014 dollars:

Millage Increase	2.78
Percentage Increase	7.17%

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Budget Projections  
11.21.2013**

**\$85 million Referendum with \$1,090,000 annual budget allocation (approximates 1/2 mill)**

Enter Assessed Value from real estate tax bill:

Average Assessed Value \$ 71,300

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	<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>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	
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Estimated Tax Increase (Decrease)		\$ 25	\$ 106	\$ 59	\$ (3)	\$ (3)	\$ (3)	\$ (3)	\$ (3)	\$ (3)	\$ (3)	
Estimated Referendum Tax Bill		\$ 25	\$ 131	\$ 190	\$ 187	\$ 184	\$ 181	\$ 179	\$ 176	\$ 173	\$ 171	
Estimated Percent Increase (Decrease)		0.91%	3.73%	1.94%	-0.09%	-0.08%	-0.08%	-0.08%	-0.07%	-0.07%	-0.07%	
 <b>Total Tax</b>												
Total Estimated Real Estate Tax Bill	\$ 2,763	\$ 2,835	\$ 3,026	\$ 3,172	\$ 3,259	\$ 3,349	\$ 3,442	\$ 3,538	\$ 3,636	\$ 3,738	\$ 3,843	
Total Estimated Tax Increase		\$ 72	\$ 191	\$ 146	\$ 87	\$ 90	\$ 93	\$ 96	\$ 99	\$ 102	\$ 105	
Total Estimated Millage Increase		1.01	2.67	2.05	1.22	1.26	1.30	1.34	1.38	1.43	1.47	
<b>Total Estimate Percent Tax Increase</b>		<b>2.61%</b>	<b>6.72%</b>	<b>4.84%</b>	<b>2.74%</b>	<b>2.76%</b>	<b>2.77%</b>	<b>2.78%</b>	<b>2.79%</b>	<b>2.81%</b>	<b>2.81%</b>	

The School District Tax increase from 2015-16 forward is based upon a 3.02% increase, which represents the average historical base tax increase.

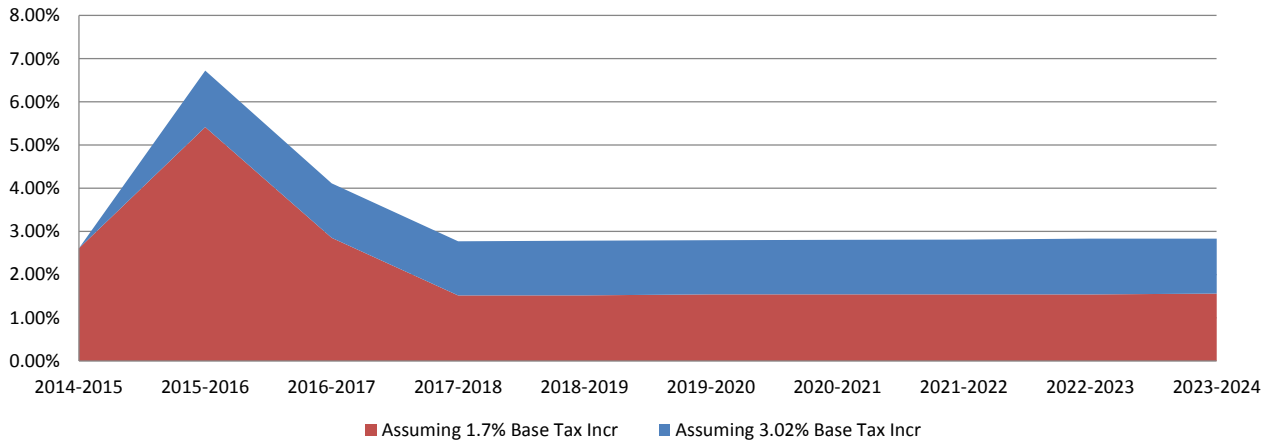
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Referendum tax increase in 2013-2014 dollars:

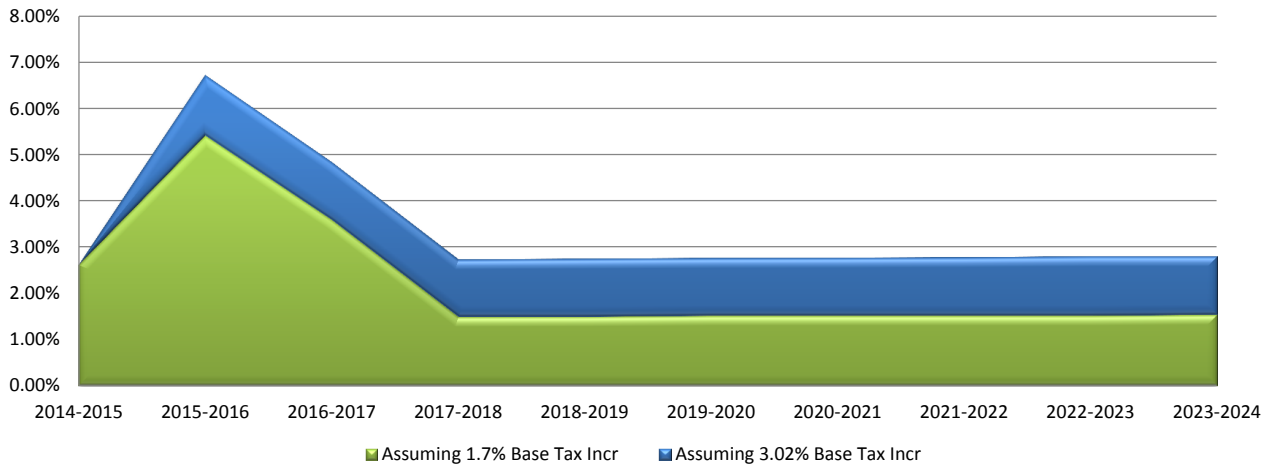
Millage Increase                    2.78

Percentage Increase                7.17%

**State College Area School District  
Total Projected Tax Increase (Base Tax + Referendum Tax)  
Assuming \$75 Million Referendum**



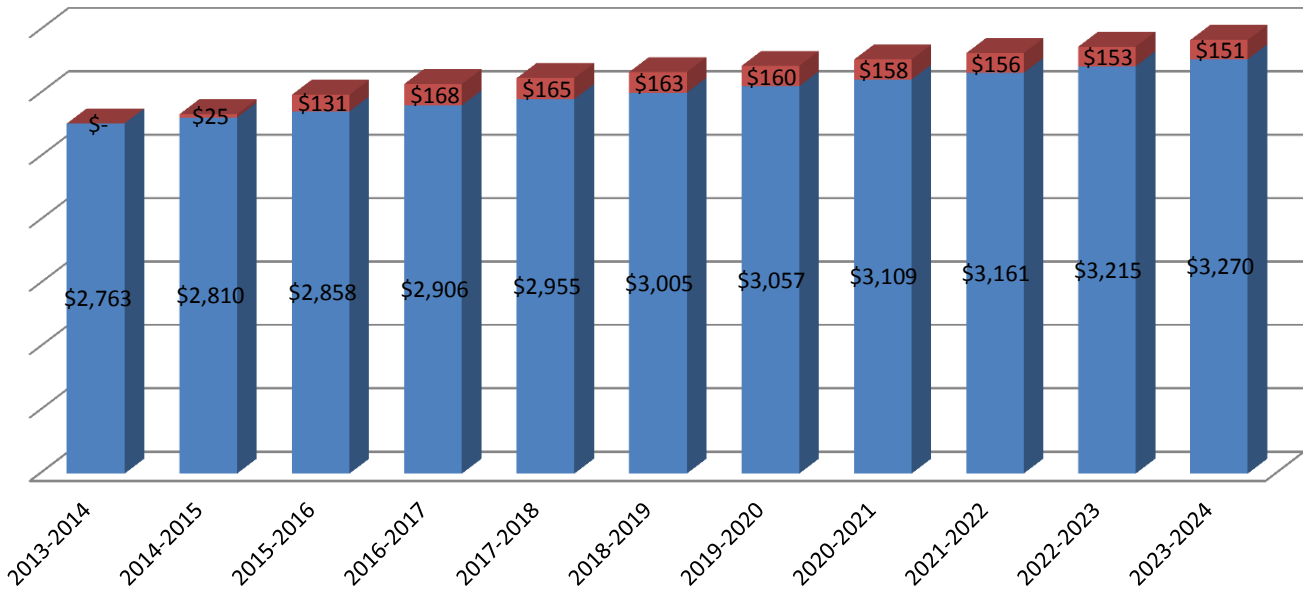
**State College Area School District  
Total Projected Tax Increase (Base Tax + Referendum Tax)  
Assuming \$85 Million Referendum**





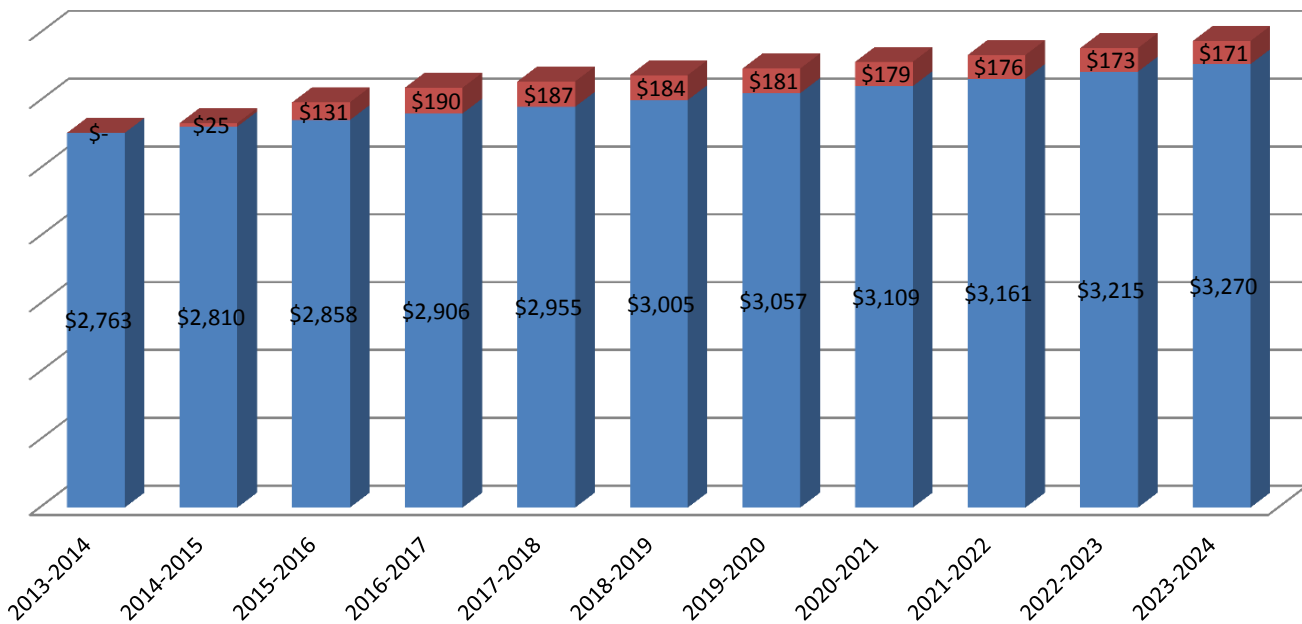
**State College Area School District  
Projected Tax for Average Homeowner  
\$75 Million Referendum/1.7% Annual Base Tax Incr**

■ Base tax ■ Referendum Tax

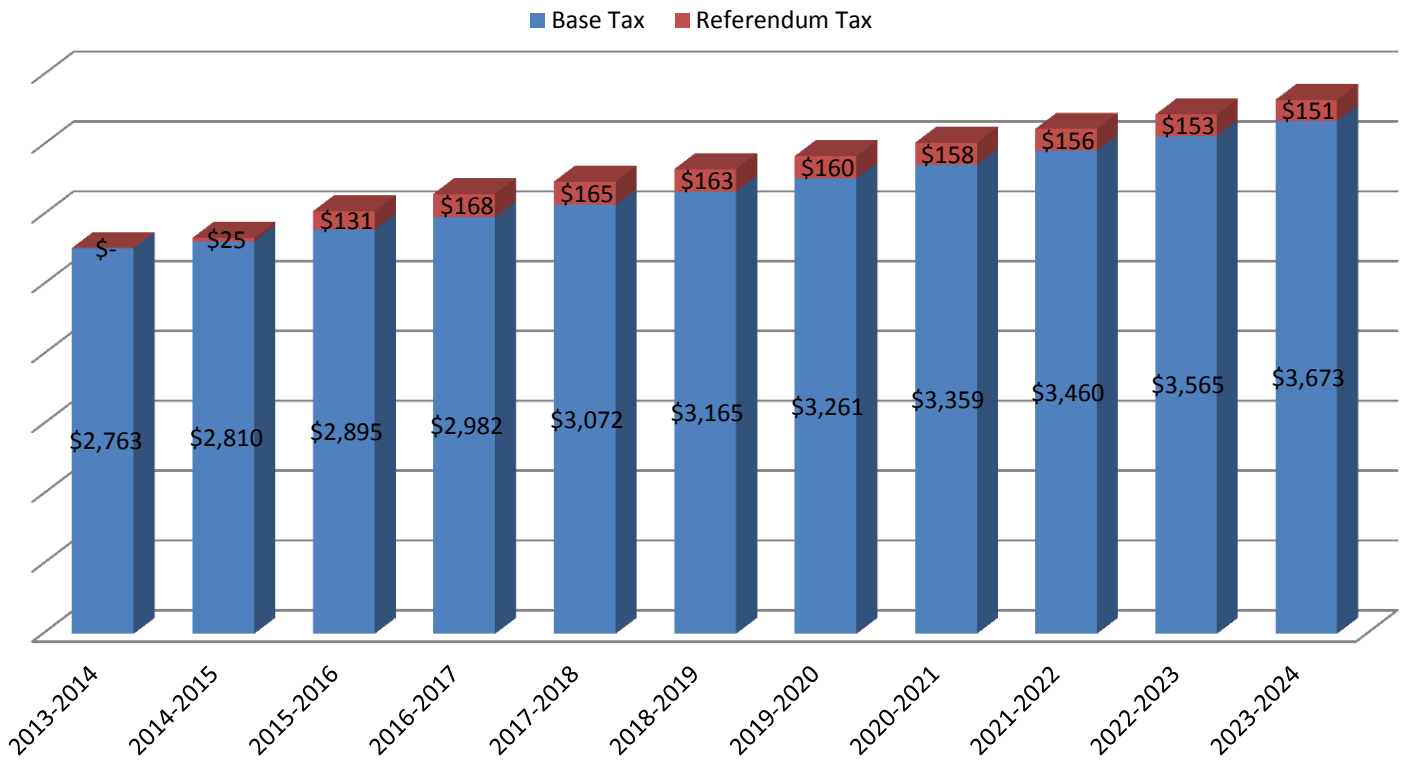


**State College Area School District  
Projected Tax for Average Homeowner  
\$85 Million Referendum/1.7% Annual Base Tax Incr**

■ Base Tax ■ Referendum Tax



**State College Area School District  
Projected Tax for Average Homeowner  
Assumes \$75 Million Referendum Debt/3.02% Annual Base Tax Beg 2015-16 (1.7% Prior)**



**State College Area School District  
Projected Tax for Average Homeowner  
Assumes \$85 Million Referendum Debt/3.02% Annual Tax Beginning 2015-16(1.7% Prior)**

