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MEMO

To: Dr. Robert J. O'Donnell

From: Jeffrey Ammerman

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Subject: 2012-13 Real Estate Revenue Estimates

The state should soon announce the Act 1 Index for 2012-13. An unofficial estimate of this number from PASBO is that the index will be 1.7%. There will only be two exceptions that we could potentially qualify for in 2012-13, the PSERS exception and the Special Education exception. There were modifications to these exceptions made in June 2011 from what previously existed. No official exception spreadsheets have been issued by PDE at this time, but again PASBO has put out their interpretation of how these exceptions may be calculated to allow Districts to begin to plan for 2012-13. A summary of all of the potential real estate revenue available is attached. There will be refinement to these numbers as we go forward and more information becomes available. Since we are on a very early preliminary budget approval cycle in 2012-13, we will start with these unofficial estimates to begin the needed discussions on how to proceed from here.

Real Estate Revenue Growth Available 2012-13 (preliminary and estimated)

	Tax Increase \$	Tax Increase Percentage
Act 1 Index Tax Increase	1,270,000	1.7%
Special Education Exception	250,000	0.3%
PSERS Exception	<u>950,000</u>	<u>1.3%</u>
Total Tax Increase Available	2,470,000	3.3%
1% Assessed Value Growth	<u>750,000</u>	
Total New Real Estate Revenue Available	3,220,000	