

Forest Hills School District



Dr. David L. Lehman
Superintendent of Schools

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The Forest Hills Board of School Directors recently approved the final 2022-2023 General Fund Budget that includes a two and one quarter (2 ¼) mill school real estate tax increase. This is the first school real estate tax increase the Forest Hills School District has proposed in over twenty eight (28) years. A few facts pertaining to property tax and millage rates specific to the Forest Hills School District:

- One mill of school real estate tax yields approximately \$100,000 of revenue annually at a 95% collection rate.
- The 2021-2022 millage rate for the Forest Hills School District was set at 48.5 mills. The Forest Hills School District had the lowest millage rate of the 12 Cambria County school districts.
- Based on the 2020-2021 figures, the Cambria County average school real estate tax average was 59.91 mills.
- Forest Hills School District residents have benefited from one of the lowest school real estate tax rates in the area while boasting state of the art facilities and learning centers.
- The Pennsylvania Homestead/Farmstead Exclusion Act provides annual relief for Pennsylvania property owners. The Homestead/Farmstead Exclusion rebate will increase this year. This will be the first such increase to this fund. With this anticipated increase in the discount rate, the property owner's cost for the increased school real estate millage will be offset.
- Because of the Pennsylvania Homestead/Farmstead Exclusion Act and the financial relief this Act provides, 488 Forest Hills properties do not pay annual school real estate taxes and another 1029 pay approximately 50% of their school real estate taxes.
- District revenue comes through several sources: Federal 7%, State Subsidy 71%, and Local Effort 22%.

Potential impact of a 2 ¼ Mill Increase for Residential Property Owners

Property's Assessed Value	Approximate monthly increase	Approximate annual increase
\$20,000	\$3.75	\$45.00
\$40,000	\$7.50	\$90.00
\$60,000	\$11.25	\$135.00
\$80,000	\$15.00	\$180.00

- Note this does not include the Pennsylvania Homestead/Farmstead Exclusion amount.
- Based on property's assessed value.

OR

The average annual increase for Forest Hills property owners is expected to be \$33.86 per year or approximately \$2.82 per month based on an average assessed value of \$15,050.

Over the past 28 years, the Forest Hills School District has worked tirelessly to be stewards of the resources the state government, federal government, and local school real estate taxes have provided. For example, over the past several years the Forest Hills School District has done the following to maximize reserves:

- Refinanced three (3) bonds saving the local tax payer over \$4.62 million over life of the Bond Issue.
- Installed a natural gas line saving approximately \$300,000 per year in heating costs.
- Consolidated to two buildings and one campus.
- Made appropriate staffing decisions balancing student needs, programming, staff costs, and enrollment figures.
- Maximized the use of Capital Reserves and the General Fund Balances.
- Mitigated expenses by creating District run programs.

However, the need to increase revenues in the face of rising operational costs is needed. A few budgetary concerns we are faced with.

- The Forest Hills School District's annual contribution to the Greater Johnstown Career and Technology Center will increase by \$100,000 to help fund the district's portion of needed building renovations to an aged building. This is the first major renovation the GJCTC building has received since its inception.
- Transportation costs have increased as the cost of equipment, fuel, and other operational costs are spiking.
- The District is budgeting for increased utility charges to maintain operations.
- Based on the current revenue and expenditure calculations, the District is seeing a trend of expenditures outpacing revenue gains.
- The District has observed an increase in expenditures related to outside, for profit cyber schools.
- The District is leveraging ESSER funding in conjunction with General Fund balances to upgrade the Elementary HVAC system, building controls, and LED lighting. The anticipated cost for this project is approximately \$2.8 million.
- The Forest Hills Elementary School is in need of a major roof replacement. We have been working to secure fiscally responsible bids to perform this work.
- Just like "R" own homes, the District needs to continually maintain and make improvements to the physical plant while working to enhance the learner's experience with research based, best practice programming and a rigorous course of study.

Thank you for taking the time to review these school property tax facts pertaining to the 2.25 mill school real estate tax increase.

Sincerely,



Dr. David Lehman
Superintendent