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West Chester Area School District Takes First Step in Budget Approval Process for 2017-18

The West Chester Area School District Board of Directors voted at its January 23 meeting to adopt a \$246.4 million preliminary budget for 2017-18 that anticipates a tax increase at the Act 1 Index of 5.9 percent.

“We are early in the process and expect to find reductions by the time we make a final recommendation in May,” said Superintendent Dr. Jim Scanlon. “The budget process in Pennsylvania requires school districts to develop a preliminary budget before the Governor even announces a state budget. Revenues are just estimates at this time because of that, so we have to plan for the worst.”

The school district is planning to draw \$4 million from its fund balance reserves to help offset the budget gap.

The preliminary budget includes an increase in spending of 3.8 percent, or \$9 million, over the current \$237.4 million budget. This is due primarily to an increase in mandated expenses for the state pension program known as PSERS, increases in special education costs, and increases in salaries and healthcare. Specifically:

1. Federally mandated but unfunded special education services and tuitions - \$2.1 million increase (15.3% increase over last year)
2. State mandated pension contribution rate increase - \$2.1 million increase (10.2% increase over last year)
3. Salary and healthcare benefit costs for about 1,400 employees - \$3.1 million increase (2.6 percent increase over last year)

“The mandated expenses are increasing at a much higher rate than the expenses that we control – salaries,” said School Board President Chris McCune. “While the Board is legally allowed to use a tax increase to cover the special education mandated expenses, it will be working very hard to find reductions to offset those excess costs.”

In the 2010-11 school year, the district was required to contribute 5.6% towards state mandated pensions, and in the 2017-18 school year the district will be required to contribute 32.5%.

“The increase in costs is staggering,” said Scanlon. “At the same time, the tax rate for the West Chester Area School District continues to be the lowest in Chester County, and also offers the lowest rates for those residents in the Delaware County portion of the District.”

According to state law, a final budget must be approved no later than June 30, 2017. The Board plans to present a preliminary final budget in April with a final budget prepared for approval in May.

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