

West Chester Area School District School Board Approves 2016-17 Final Budget

The West Chester Area School District's School Board approved a final budget for the 2016-17 school year totaling \$237,424,295 - an increase of 5.2% or \$11.7 million over the current year. Approximately 70% of the final budget increases are due to mandated expenses over which the district has no control, including \$4.5 million to cover the state pension costs (PSERS), \$3.2 million for increased special education costs, and \$800,000 for charter school funding.

The remaining \$3.2 million increase covers salaries, health care benefits, books, supplies, and other operating expenses for the school district.

The 2016-17 final budget calls for a tax millage rate increase of 2.7%, or about \$96 per average household for Chester County and \$230 per average household for residents living in Delaware County. The final budget also relies on the planned use of fund balance and minimizing District spending increases. The property tax millage rates for West Chester remain the lowest of any district in Chester County.

The District achieved significant savings by making changes to its healthcare management, without impacting staff. As part of its debt service management program, the District refinanced \$52.2 million in bonds this year to save \$11.3 million in principal and interest payments over the next several years. By maintaining its Aaa bond rating, the District is able to minimize interest rates on its debt.

Local revenue, which is the most critical source of funding for the District's budget, has stabilized after suffering through several years of declining property values and assessment appeals – costing the District millions of dollars in total assessed property value. By contrast, state and federal subsidies have not kept pace with a variety of mandates.

The budget uses \$7.9 million from the district's fund balance, leaving approximately \$15.1 million in an undesignated fund balance.

2016-17 District Tax Rates

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 residents in the Delaware County portion of the District. For more than a decade, the District's average tax burden has remained in the lowest 20% - 429 out of 499 - among school districts in Pennsylvania.

Based on the Proposed Final Budget, the real estate tax rate for Chester County will increase by .52 mills over the previous year's budget to 20.0982 mills, up 2.7 percent, and the rate for Delaware County will increase by .81 mills to 14.7113 mills, an increase of 5.8% over 2015-16. The average assessed home value in Chester County is now \$184,410, and the average assessed home value in the Delaware County portion of the District is \$285,700. Assessed value is approximately one-half of a home's actual market value. The average tax hike would be \$96 for

Chester County residents and \$230 for Delaware County residents. The differences in county average assessments account for formula differences resulting in the differing tax rates.

For more information, please contact Ms. Tracey Dukert, Digital Communications Coordinator, at: 484-266-1170 or tdukert@wcasd.net

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