

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

The West Chester Area School District's School Board passed a proposed final budget for the 2016-17 school year of \$237,315,800, a five percent increase over the current year. The district is facing an \$11.6 million increase in expenses, and \$8.5 million of that increase (about 73 percent) are directly related to the following state and federal mandates:

- \$4.5 million increase in state-mandated pension expenses
- \$3.2 million increase in services for special education students
- \$800,000 increase in charter school tuitions

The remaining \$1.3 million increase covers salaries, health care benefits, books, supplies, and other operating expenses for the school district.

“We have done our very best to control the expenses that are within our control,” said Superintendent Dr. Jim Scanlon. “Unfortunately the increase in mandates makes it nearly impossible to avoid a tax increase without making cuts to our programs.”

The budget will be available for public review for 30 days on the district's website. The School Board will vote on the final budget on Wednesday, May 25 at 7:30 p.m. at the Spellman Administration Building.

If approved, the budget will include a 3 percent tax increase, or about \$108 per average household for Chester County and \$244 per average household for Delaware County. The property tax millage rates for West Chester remain the lowest of any district in Chester County. The budget uses \$7.8 million from the district's fund balance, leaving approximately \$16 million in an undesignated fund balance.

The School Board may consider reducing the tax increase after it considers state funding it was just notified it will receive as a result of the state's new fiscal code. The state Department of Education is expected to release those final funding numbers by May 25.

“We are working hard to be good fiscal stewards while still delivering the best possible educational experience,” said School Board President Dr. Rick Swalm.

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. By maintaining its Aaa bond rating, the District is able to minimize interest rates on its debt.

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. Based on the Proposed Final Budget, the real estate tax rate for Chester County will increase by .59 mills over the previous year's budget to 20.1646 mills, up 3.0%, and the rate for Delaware County will increase by .85 mills to 14.7600 mills, an increase of 6.1% 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. At a 3.0% rate increase, the average tax hike would be \$108 for Chester County residents and \$244 for Delaware County residents. The differences in county average assessments account for formula differences resulting in the differing tax rates.

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