

# **West Chester Area School District 2014-15 Budget Discussion**

March 17, 2014

# West Chester Area School District 2014-15 Budget

## Goal of March 17<sup>th</sup> Property and Finance Committee

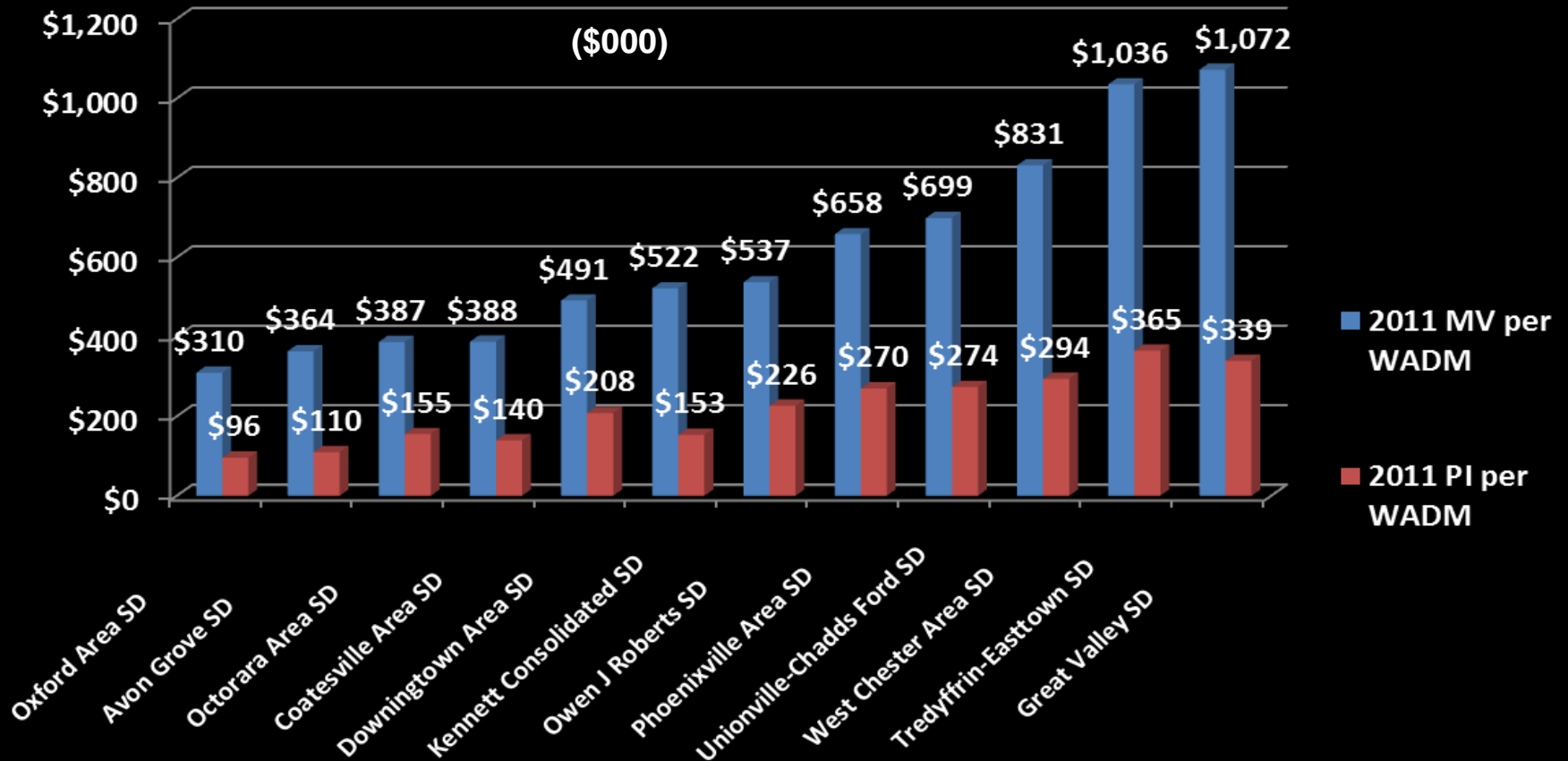
- *Competitive Analysis: Chester County School Districts*
- *History of Millage and Exceptions*
- *Economic Indicators*
- *History of Budget Reductions and Impact on Students/Staff*
- *Review of Budget Reduction Recommendations Remaining on Task Force Lists*
- *Plan for Balancing the 2014-15 Budget*

**West Chester Area School District  
2014-15 Budget**

Competitive  
Analysis

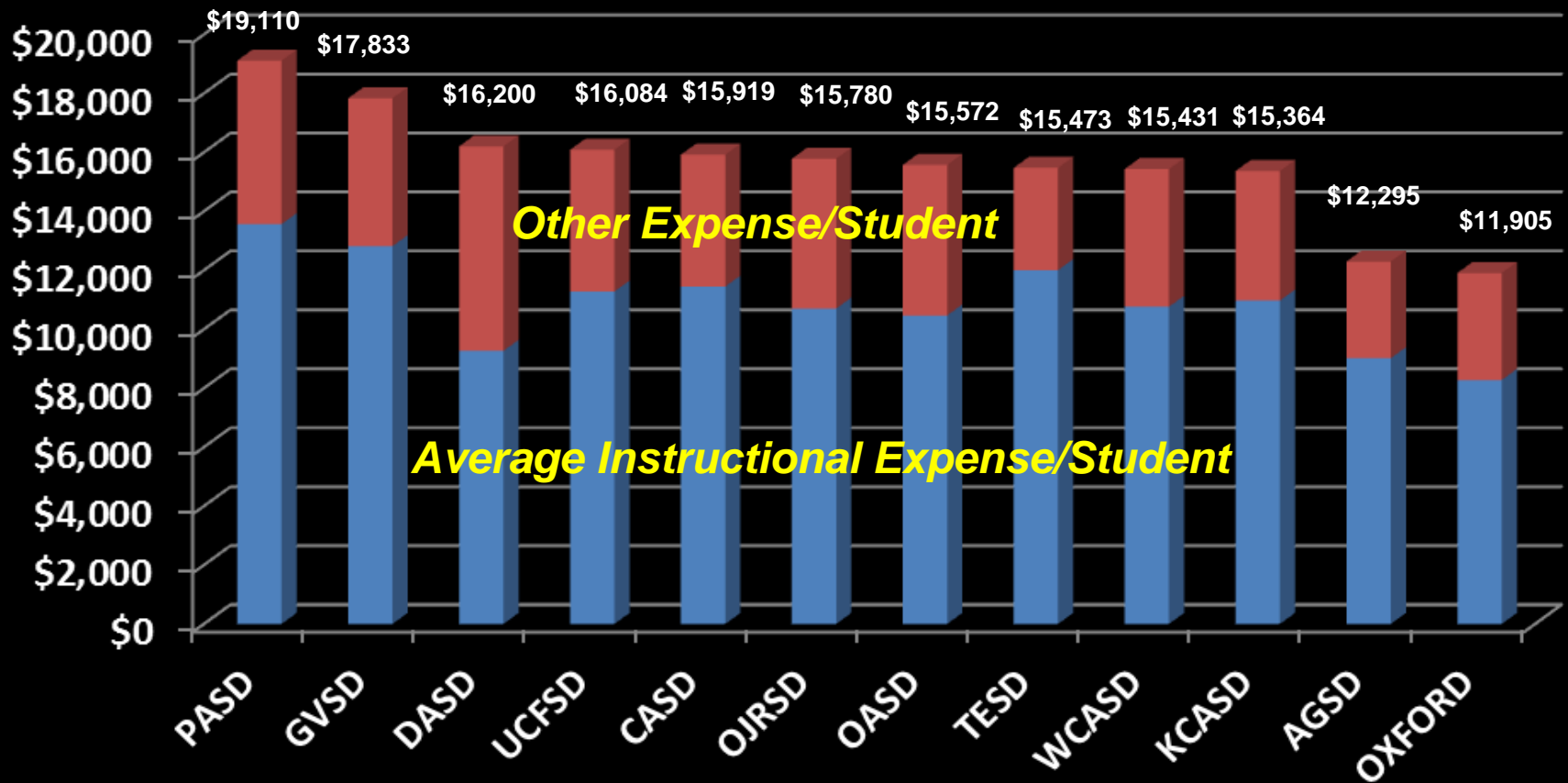
# West Chester Area School District 2014-15 Budget

## Chester County Schools: Comparison of District Wealth



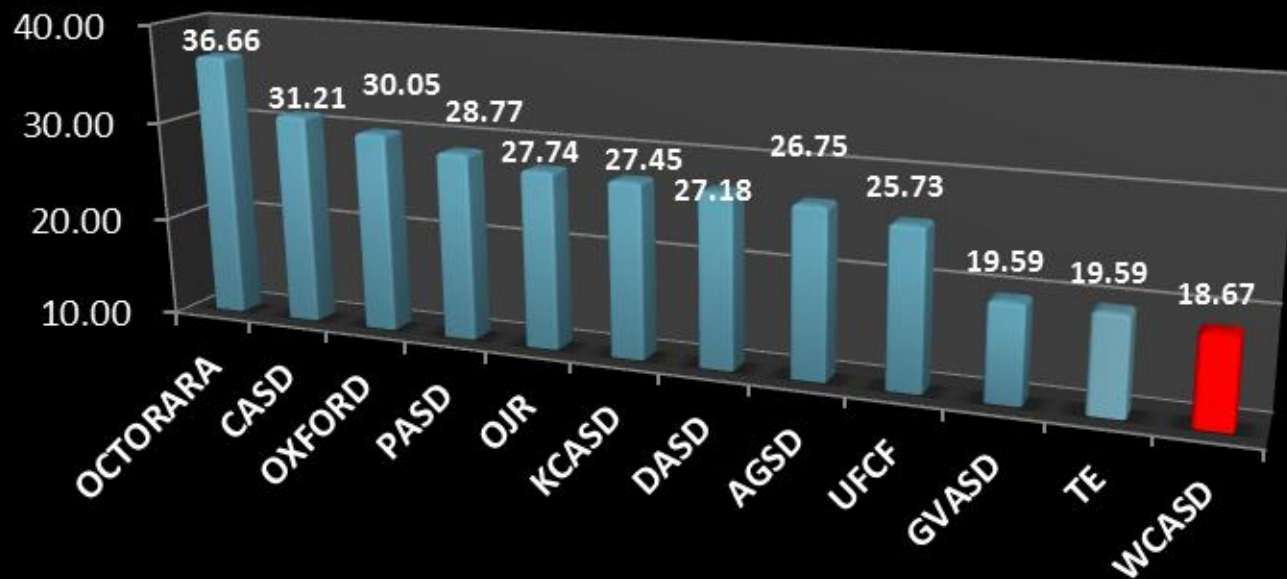
# West Chester Area School District 2014-15 Budget

## Chester County Schools: 2011-12 Spending Per Student



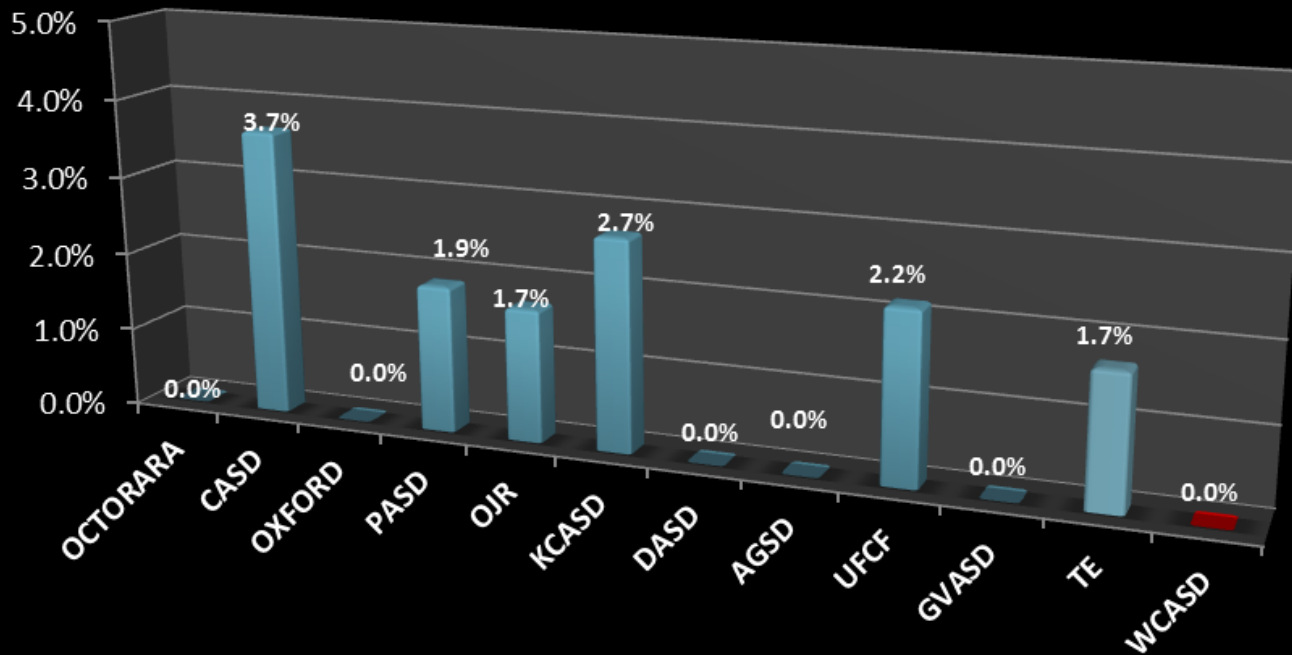
# West Chester Area School District 2014-15 Budget

## 2013-14 Millage Rates Chester County Schools



# West Chester Area School District 2014-15 Budget

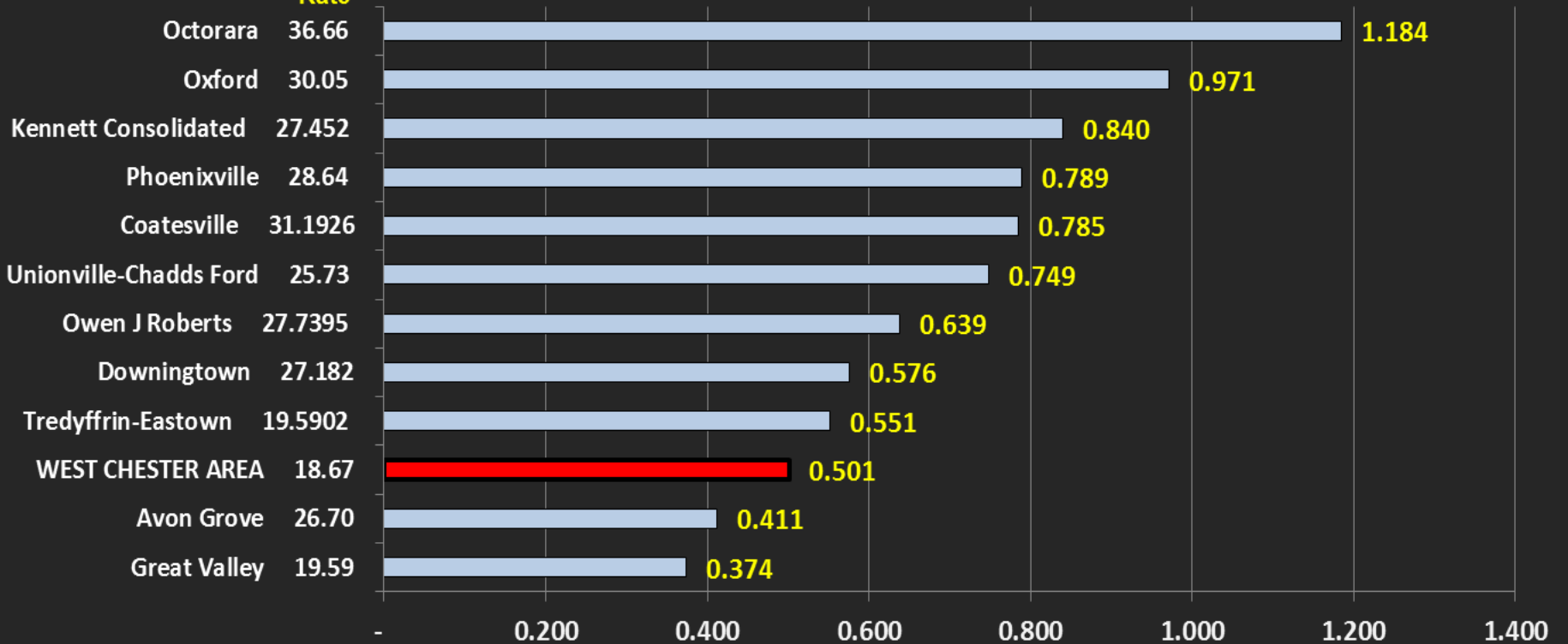
## 2013-14 Millage Rates Increases Chester County Schools



# West Chester Area School District 2014-15 Budget

**2013-14  
Tax  
Rate**

**Comparison of Avg Annual Tax Increase For Chester County Schools Since Act 1**

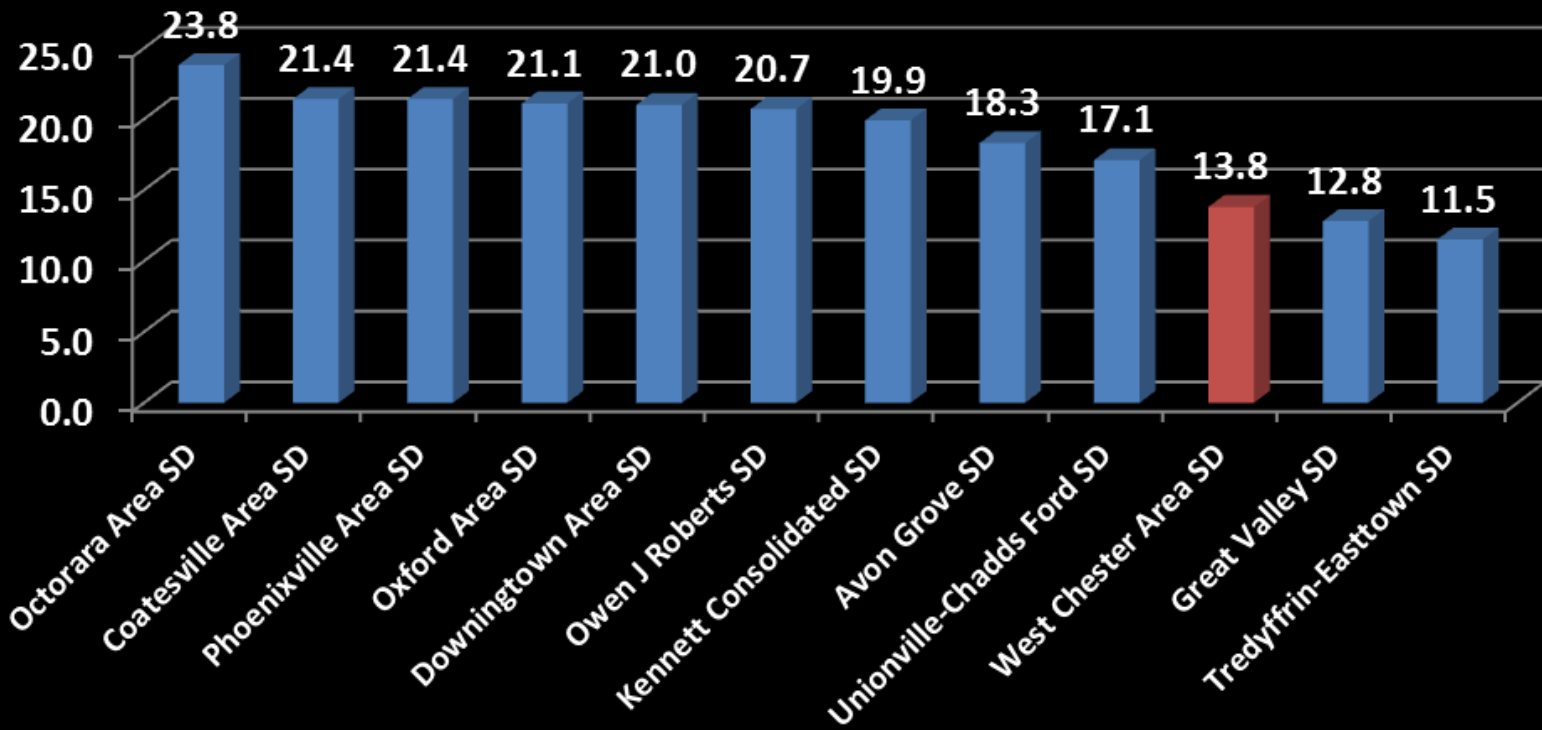


**7 Year Average Annual Millage Increase**



# West Chester Area School District 2014-15 Budget

## 2011-12 Chester County Schools Equalized Mills (Total Tax Burden as a % of Wealth)

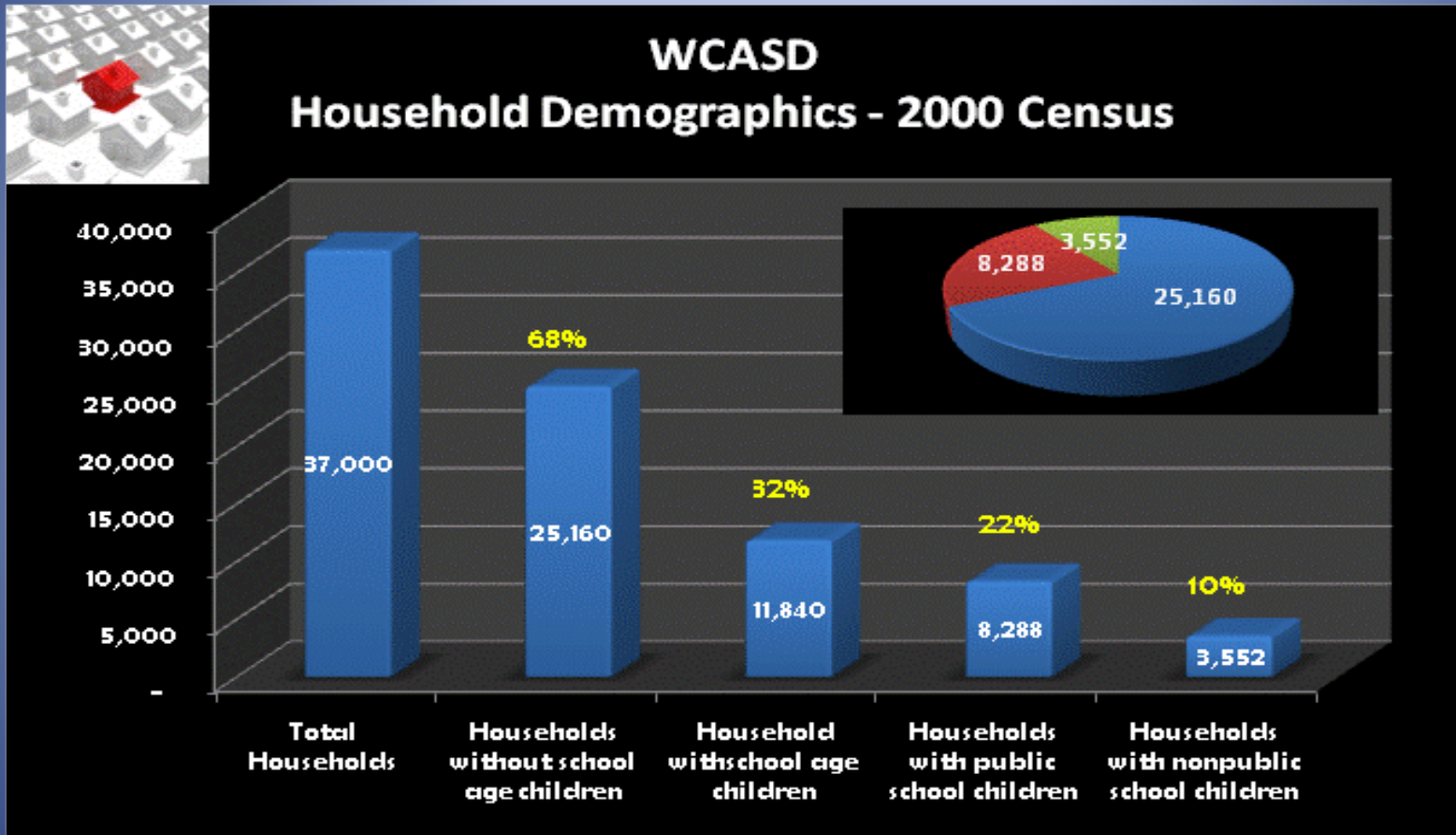


**West Chester Area School District  
2014-15 Budget**

Customers and  
Taxpayers

# West Chester Area School District 2014-15 Budget

Who are our stakeholders and who are our customers?

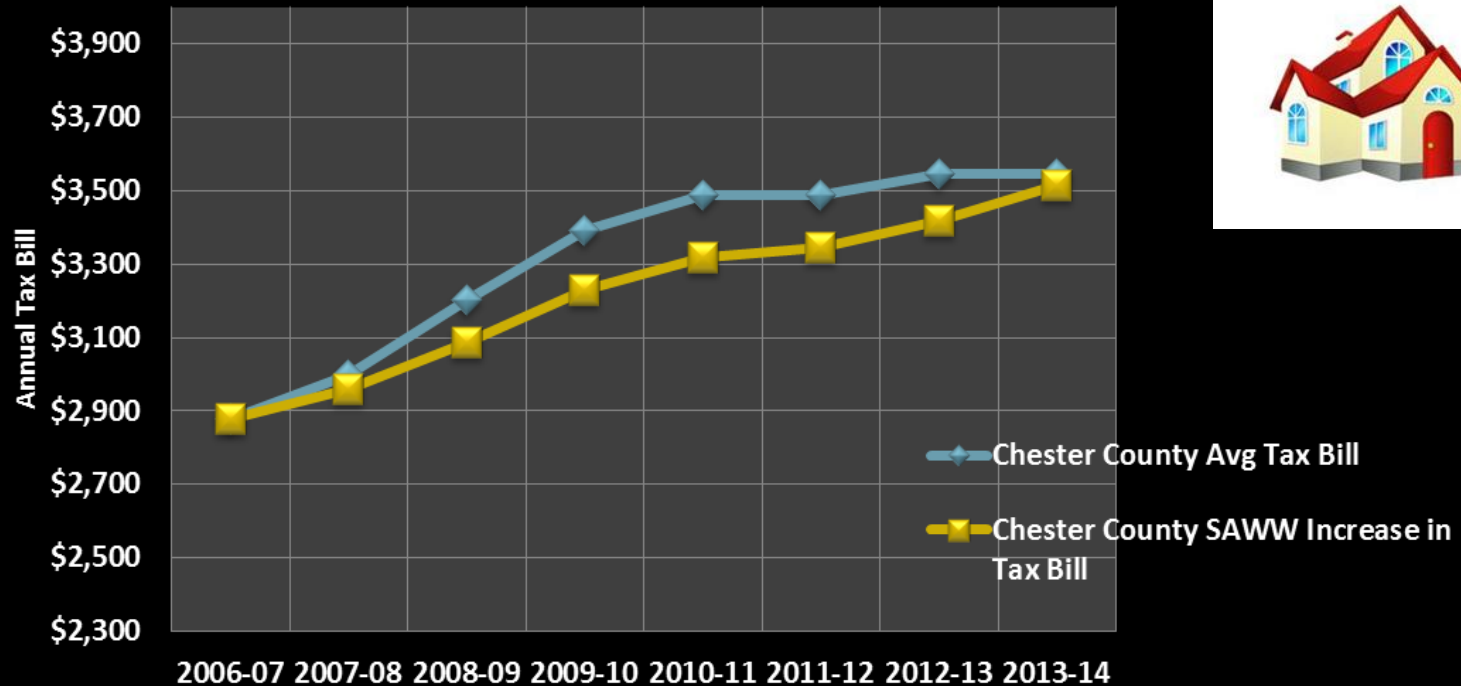


32,000 homeowners pay \$116 million in RE taxes and all working residents pay \$19 million in EIT

1800 commercial and industrial property owners pay \$29 million in RE taxes

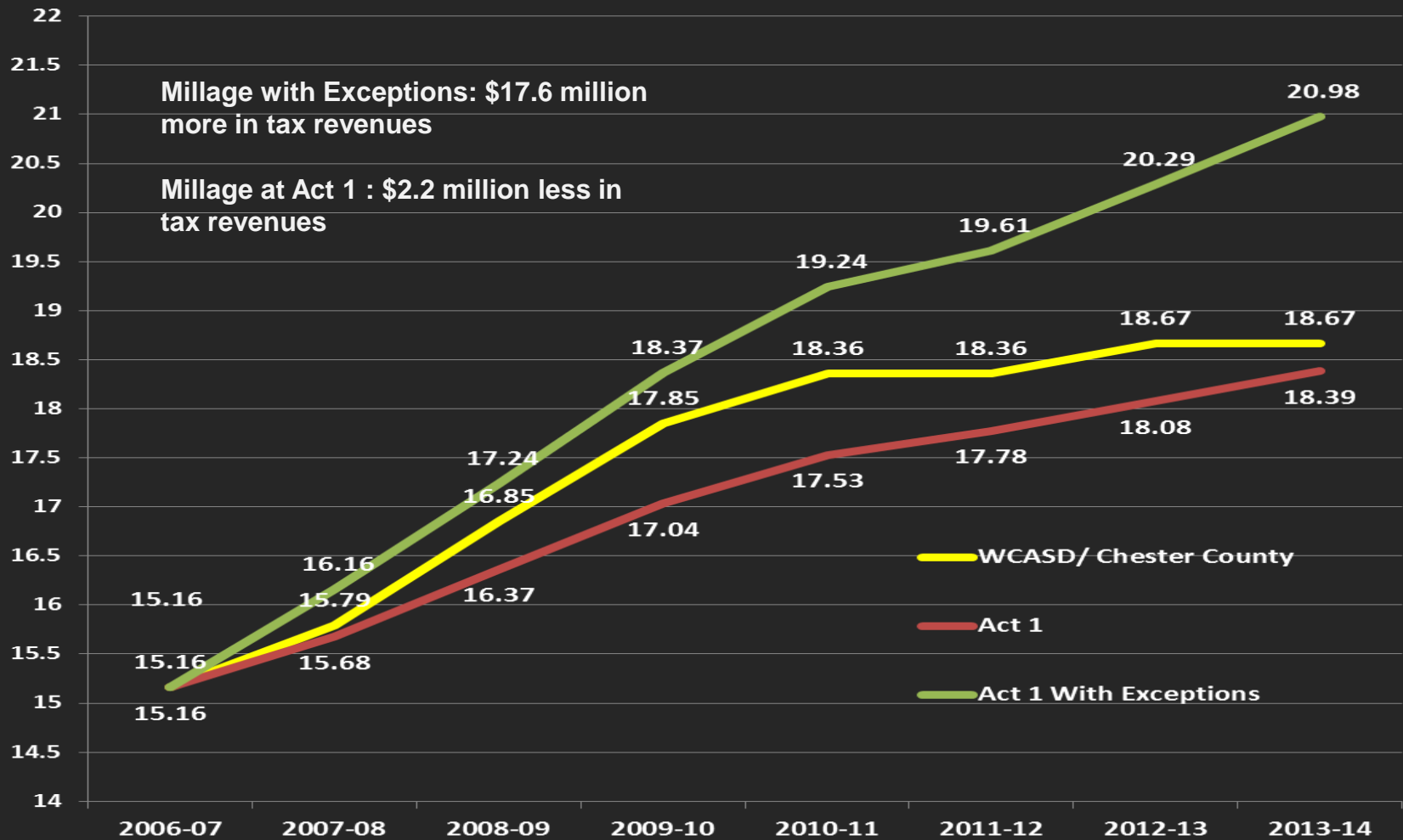
# West Chester Area School District 2014-15 Budget Tax Payer Lens

## Tax Bill for the Average WCASD Homeowner



# West Chester Area School District 2014-15 Budget

## Comparison of WCASD Millage Rates to Act 1



# West Chester Area School District 2014-15 Budget

<u>SCHOOL DISTRICT</u>	<u>2013-14 Millage</u>
Octorara	36.66
Coatesville	31.1926
Oxford	30.05
Phoenixville	28.64
Owen J Roberts	27.7395
Kennett Consolidated	27.452
Downingtown	27.182
Avon Grove	26.7
Unionville-Chadds Ford	25.73
<b>WEST CHESTER if all Act 1 Exceptions were used</b>	<b>20.98</b>
Tredyffrin-Eastown	19.5902
Great Valley	19.59
<b>WEST CHESTER</b>	<b>18.67</b>

# West Chester Area School District 2014-15 Budget

<b><u>SCHOOL DISTRICT</u></b>	<b><u>2013-14 Millage</u></b>
<b>Octorara</b>	<b>36.66</b>
<b>Coatesville</b>	<b>31.1926</b>
<b>Oxford</b>	<b>30.05</b>
<b>Phoenixville</b>	<b>28.64</b>
<b>Owen J Roberts</b>	<b>27.7395</b>
<b>Kennett Consolidated</b>	<b>27.452</b>
<b>Downingtown</b>	<b>27.182</b>
<b>Avon Grove</b>	<b>26.7</b>
<b>Unionville-Chadds Ford</b>	<b>25.73</b>
<b>WEST CHESTER if all Act 1 Exceptions were used</b>	<b>20.98</b>
<b>Tredyffrin-Eastown</b>	<b>19.5902</b>
<b>Great Valley</b>	<b>19.59</b>
<b>WEST CHESTER 2014-15 RATE WITH EXCEPTIONS</b>	<b>19.32</b>



**West Chester Area School District  
2014-15 Budget**

Impact of the  
Economy on our  
Taxpayers and  
School District



# West Chester Area School District 2014-15 Budget

Dow Jones Industrial Average (^DJI) - DJI ★ Follow

[+ Add to Portfolio](#)

**16,360.18** ↓35.70 (0.22%) 4:29PM EST

Enter name(s) or symbol(s)

GET CHART

COMPARE

EVENTS ▾

TECHNICAL INDICATORS ▾

CHART SETTINGS ▾

RESET

Week of Mar 2, 2009: ■ ^DJI 6626.90

5 Year Avg. Annual Increase: 16.5%  
7 Year Avg. Annual Increase: 4.1%



© 2014 Yahoo! Inc.

# West Chester Area School District 2014-15 Budget

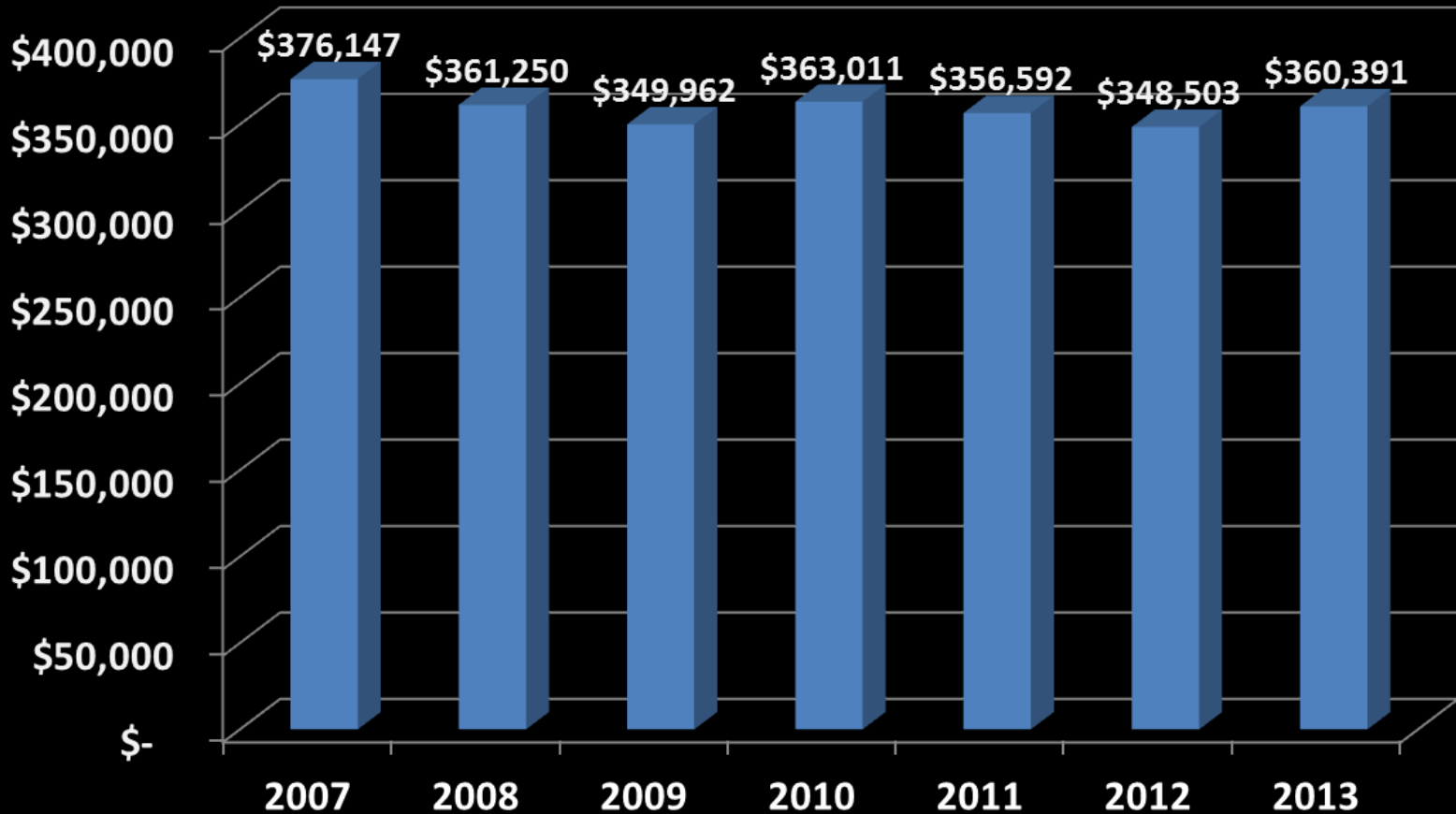
**Real Estate Market: Total Residential Sales  
In WCASD (Chester County)  
(\$Millions)**



Data Based on Transfers in Chester County

# West Chester Area School District 2014-15 Budget

## Real Estate Market: Average Price of a Residential Sale in WCASD (Chester County)



Data Based on Transfers in Chester County

# West Chester Area School District 2014-15 Budget

## Housing Values 2000-2014

### Median Sales Price in West Chester

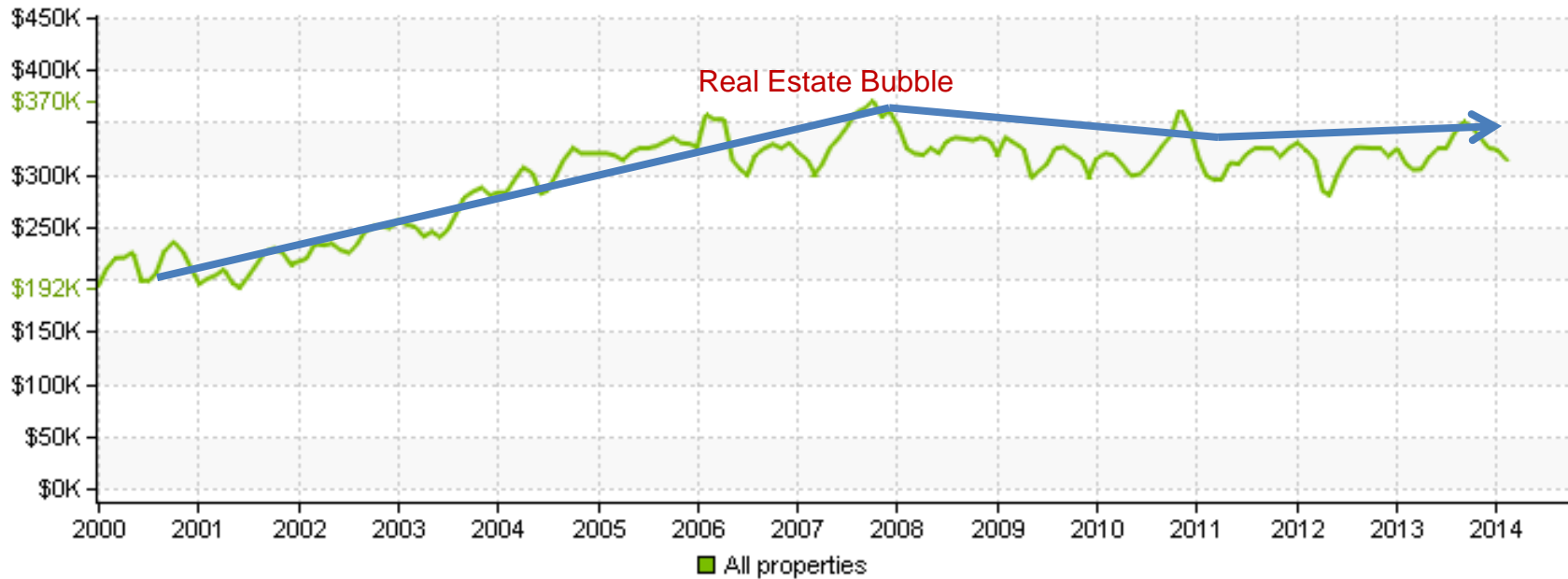


1 Br  2 Br  3 Br  4 Br  All properties

1 YR 5 YR MAX

#### Median Sales Price

West Chester, PA | All properties | All years



# West Chester Area School District 2014-15 Budget

## Housing Values 2000-2014

### Average Price Per Sqft. for Homes in West Chester

i

1 Br  2 Br  3 Br  4 Br  All properties

1 YR

5 YR

MAX

#### Average Price Per Sqft

West Chester, PA | All properties | All years

trulia



# West Chester Area School District 2014-15 Budget

## West Chester Area School District History of Appeals: 2009-10 to 2014-15 (\$000)

Year	Total Assessment Reduction	Property Owner Tax Reduction
2009-10	\$50,726	\$856
2010-11	\$114,910	\$2,022
2011-12	\$98,294	\$1,746
2012-13	\$108,164	\$1,950
2013-14	\$72,040	\$1,323
2014-15 *	\$24,700	\$454
2009-2014	\$468,834	\$8,352

\* Estimate based on January 2014 YTD results and projection of future appeal results

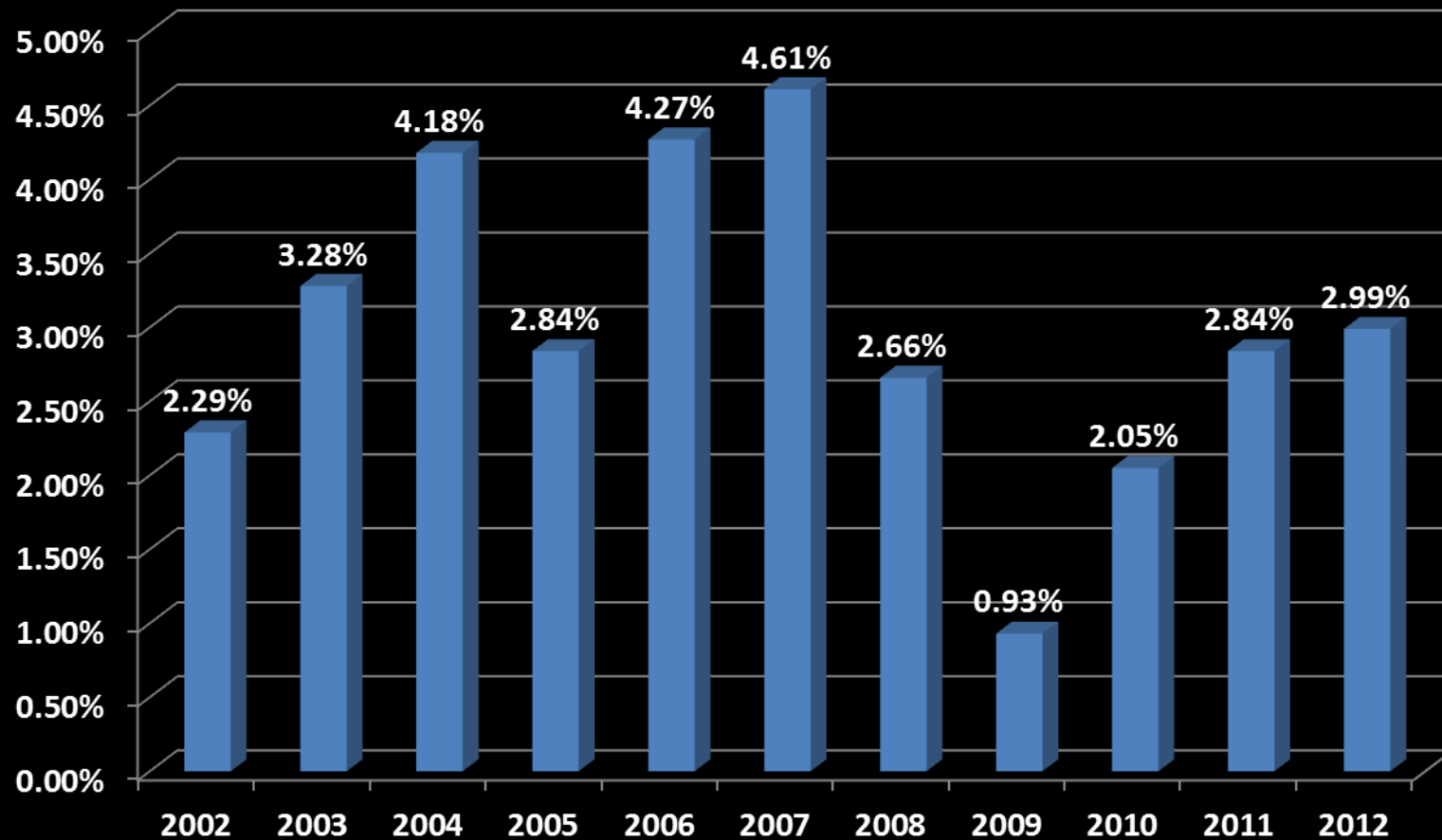
# West Chester Area School District 2014-15 Budget

## History of Unemployment Rate in Chester County

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2007	3.3	3.2	3.1	2.7	3.0	3.3	3.4	3.4	2.9	2.9	3.0	3.0	3.1
2008	3.6	3.6	3.6	3.2	3.7	3.9	4.3	4.5	3.9	4.1	4.3	4.5	3.9
2009	5.6	6.0	6.0	5.7	6.3	6.6	6.8	6.8	6.3	6.3	6.2	6.2	6.2
2010	7.1	7.2	7.2	6.7	6.9	6.9	7.2	7.1	6.2	6.2	6.2	6.0	6.7
2011	6.5	6.4	6.2	5.7	6.0	6.4	6.8	7.1	5.9	5.5	5.6	5.4	6.1
2012	6.3	6.3	6.1	5.6	5.9	6.7	6.9	6.8	5.8	5.8	5.6	5.9	6.1
2013	6.9	6.4	5.9	5.6	6.0	6.5	6.3	6.7	5.5	5.3	5.3		

# West Chester Area School District 2014-15 Budget

Average Weekly Wage in Pennsylvania  
Annual Change





**West Chester Area School District  
2014-15 Budget**

Management of the  
WCASD Budget:  
Past, Present and  
Future

# West Chester Area School District 2014-15 Budget

## Act 1 Index Forecast

History and Forecast of the Act 1 Base Index (and Components)

Fiscal Year	SAWW	ECI	Act 1 Base Index
2006-07	4.2%	3.5%	3.9%
2007-08	2.8	4.0	3.4
2008-09	4.3	4.5	4.4
2009-10	4.6	3.6	4.1
2010-11	2.7	3.0	2.9
2011-12	0.9	1.9	1.4
2012-13	2.1	1.3	1.7
2013-14	2.0	1.4	1.7
2014-15	2.6	1.6	2.1
2015-16	2.3	2.5	2.4
2016-17	2.3	2.6	2.4
2017-18	2.2	2.9	2.6
2018-19	2.7	2.9	2.8

Source: Independent Fiscal Office Analysis of Senate Bill 76 and House Bill 76

# West Chester Area School District 2014-15 Budget

	A	B	C	D	E	F	G	H
	<b>Managing Retirement Rate Increase In Future Budgets</b>							
<b>1</b>	<b>Year</b>	<b>PSERS Employer Rate</b>	<b>District Share Pension Cost *</b>	<b>Cost Increase to District</b>	<b>Net Millage Impact</b>	<b>% Millage Increase</b>	<b>Remaining Amount of Tax Increase **</b>	<b>Remaining \$s to Spend on Other Budget Increases</b>
<b>2</b>	2010-11	5.64%	\$2.5					
<b>3</b>	2011-12	8.65%	\$3.7	\$1.1	0.138	0.8%	-0.8%	-\$1.1
<b>4</b>	2012-13	12.36%	\$5.2	\$1.5	0.184	1.0%	0.7%	\$1.1
<b>5</b>	2013-14	16.93%	\$7.3	\$2.1	0.261	1.4%	-1.4%	-\$2.1
<b>6</b>	2014-15	21.40%	\$9.6	\$2.3	0.272	1.5%	0.6%	\$1.0
<b>7</b>	2015-16	25.84%	\$11.5	\$1.9	0.231	1.2%	1.2%	\$1.8
<b>8</b>	2016-17	29.27%	\$12.9	\$1.4	0.169	0.9%	1.5%	\$2.3
<b>9</b>	2017-18	30.25%	\$13.2	\$0.3	0.038	0.2%	2.4%	\$3.8
<b>10</b>	* District Share of Pension Cost is 50% of PSERS Employer Rate							
<b>11</b>	** Tax Increase is Actual for Prior Years and for Future years assumption is Act 1 Index Based on Independent Fiscal Office Projection							

**West Chester Area School District  
2014-15 Budget**

**Budget Reduction History**

<b>Year</b>	<b>Expense Savings</b>	<b>Headcount Reductions</b>	<b>Additional Revenues</b>
2010-11	\$5,408,280	28.8	\$216,795
2011-12	\$6,481,209	28.5	
2012-13	\$3,515,194	14.7	\$445,725
<b>Total</b>	<b>\$15,404,683</b>	<b>72.0</b>	<b>\$721,770</b>

# West Chester Area School District 2014-15 Budget

## Staff Reductions by Department

Department	Full Time Equivalents				Total	% Department Decrease
	2010-11	2011-12	2012-13			
Human Resources	0.5	1.5		2		29%
Business Office/Transportation	2.3	1	1	4.3		18%
Facilities and Operations	4	3	3	10		7%
Technology	4		2	6		15%
School Building Administration	3			3		9%
School Building Support Staff		13		13		21%
Classroom Subject Teachers		3	7.7	10.7	}	2%
Classroom Support Teachers	5	3		8		
Special Education Aides	7			7		
Pupil Services	3	4	1	8		6%
<b>Total Staff</b>	<b>28.8</b>	<b>28.5</b>	<b>14.7</b>	<b>72</b>		<b>5%</b>

# West Chester Area School District 2014-15 Budget

## Focus of Other Major Expense Reductions

Category	2010-11	2011-12	2012-13	Total
Curriculum Proposals	\$1,447,406	\$717,100	\$686,000	\$2,850,506
Transportation	\$150,000	\$1,150,000	\$450,000	\$1,750,000
Energy Conservation/Utilities	\$750,000		\$395,000	\$1,145,000
Salary Freeze/Vacancy Attrition/OT		\$2,477,256		\$2,477,256
Spending Freeze		\$682,000		\$682,000
<b>Total</b>	<b>\$2,347,406</b>	<b>\$5,026,356</b>	<b>\$1,531,000</b>	<b>\$8,904,762</b>

# **West Chester Area School District 2014-15 Budget**

## **Budget Areas for Further Study\***

**(Future Community Budget Task Force Committees)**

### **Space Consolidation (Elementary)**

**Class Size**

**English Language Learner Aides**

**Special Education Aides**

**Elementary Guidance**

**Elementary Psychologists**

**Gifted Teachers**

**Elementary Math Advocates**

**CCRC**

**Instruction for Expelled Student**

**Middle School Electives**

**Middle School World Language**

**Summer School**

### **Chester County High School**

**Paper/Books vs. Electronic Media**

**Blended Learning/On line Courses (Compete with Cyber Schools)**

**Physical Education**

**Summer Camps (Revenue Generator)**

**Nurses**

**Caseworkers**

**Elementary Flooring**

**PTO Donations**

**Support Staff (Schools & Central Office)**

**Delinquent Tax Collection**

**RSVP Program**

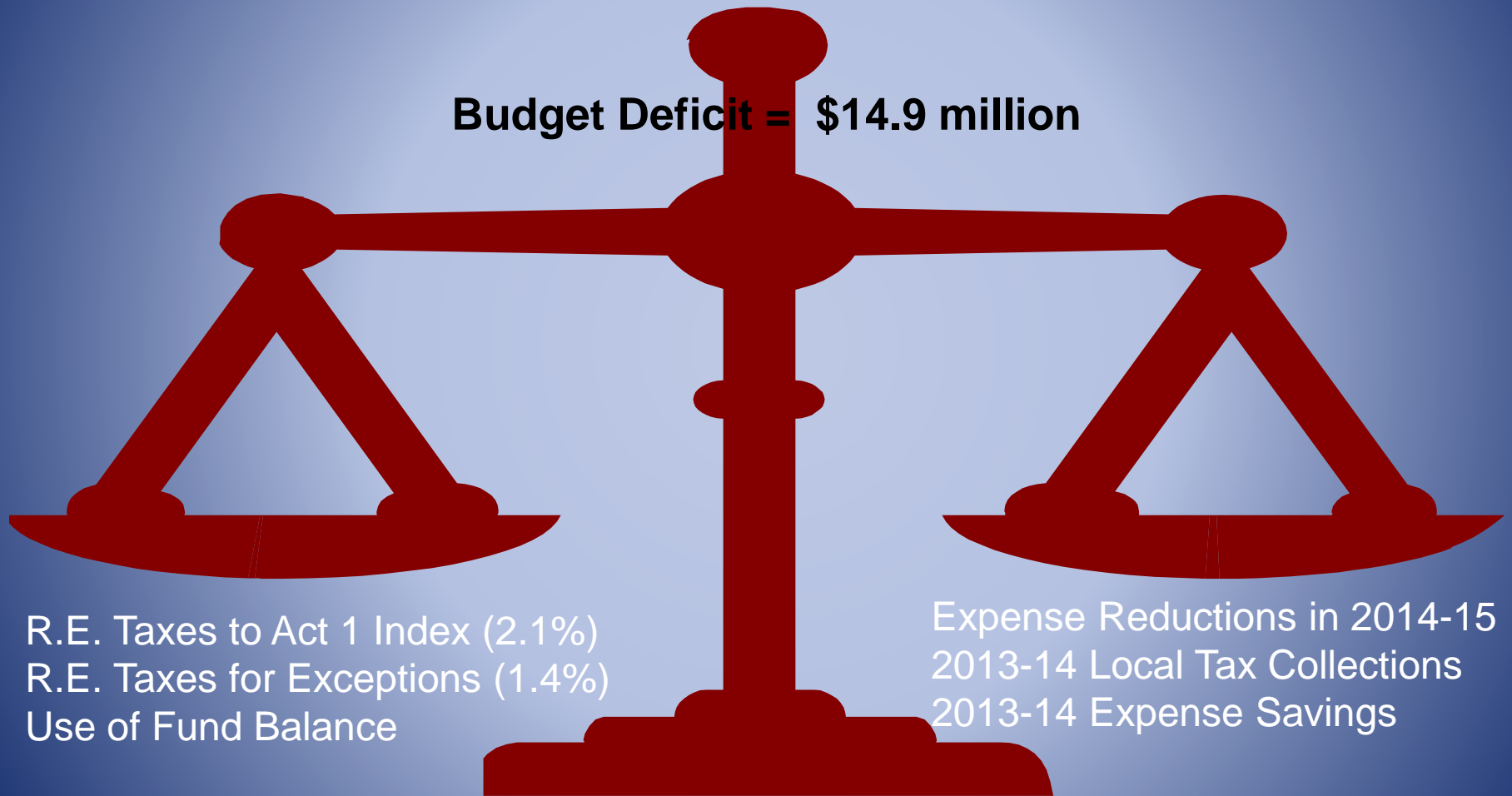
- **Taken from the list, Community Budget Task Force Findings Not Yet Implemented 2010-11 & 2012-13**



# West Chester Area School District 2014-15 Budget

## Balancing 2014-15 Budget

**Budget Deficit = \$14.9 million**



R.E. Taxes to Act 1 Index (2.1%)  
R.E. Taxes for Exceptions (1.4%)  
Use of Fund Balance

Expense Reductions in 2014-15  
2013-14 Local Tax Collections  
2013-14 Expense Savings



# West Chester Area School District 2014-15 Budget

## Balancing 2014-15 Budget Budget Deficit = \$14.9 Million \*

R.E. Taxes to Act 1 Index (2.1%)	\$3.1 Million
R.E. Taxes for Exceptions (1.4%)	\$0-\$2.0 Million
Use of Fund Balance	\$7.1+ Million
<b>2013-14 Local Tax Collections</b> <ul style="list-style-type: none"> <li>• Current Real Estate</li> <li>• Transfer Taxes</li> </ul>	?
<b>2013-14 Expense Savings</b> <ul style="list-style-type: none"> <li>• Savings Related to Reduced Student Days</li> <li>• Spending Freeze</li> <li>• Other</li> </ul>	?
<b>Expense Reductions in 2014-15</b> <ul style="list-style-type: none"> <li>• Staffing Based on Course Selection/Attrition</li> <li>• Variable Rate Debt</li> <li>• Transportation Fuel</li> <li>• Healthcare Claims</li> <li>• Other</li> </ul>	?

\* Includes \$2.968 million for labor proposal last voted on by teachers

# West Chester Area School District 2014-15 Budget

## Financial Planning Calendar

PDE Publishes 2014-15 Act 1 Index	September 1, 2013
Final Financial Results for 2012-13 Year	September/October 2013
Initial Deadline for “Official” Decision on Limiting 2014-15 Tax Increase to Act 1 Index	January 2014
WCASD 2014-15 Prelim Budget Adoption	February 2014
Governor’s Proposed Budget Release	February 2014
Review Competitive Analysis, Economic Indicators, History of Budget Reductions	March 2014
Present Budget Revisions to Balance 2014-15 Budget	April & May 2014
WCASD 2014-15 Final Budget Adoption	May 2014