



WEST CHESTER AREA SCHOOL DISTRICT

Inspiring students to achieve their personal best

2012-2013
Budget at a Glance

Major Increases for 2012-13

- Benefits - \$3.2 million (\$2.7 million is for PSERS)
- CCIU – Special Education Services - \$182,000
- Utilities - \$60,000
- Charter School Tuitions - \$420,000
- Curriculum Proposals - \$359,000
- Debt Service - \$317,000



Building a Budget

Staffing (63.0 %)	\$127.8 million
Debt Service (12.4%)	\$ 25.2 million
Transportation (6.5%)	\$ 13.1 million
Tuitions/Contracted Educational Services (10.1%)	\$ 20.4 million
Operating Costs (5.1%)	\$ 10.4 million
Utilities (2.1%)	\$ 4.2 million
Infrastructure (.6%)	\$ 1.3 million
Fund Transfers (.2%)	\$ 325,000



What reductions have been made to reduce the 2012-2013 budget?



Cost Savings Initiatives (\$2.3 million)

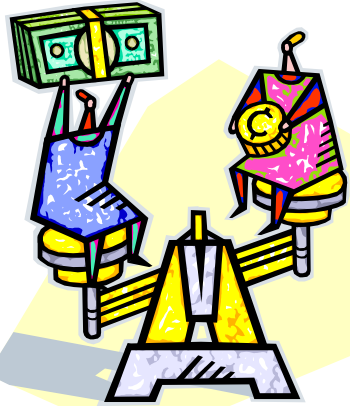
- Staff (7.9 fte's) \$ 529,000
- Salaries (reduce salary assumption) \$1,399,200
- Healthcare Administration Fees \$ 50,000
- Software Changes \$ 57,000
- Pupil Services Contracts \$ 155,000
- Student Transportation \$ 100,000



Revenue Enhancements (\$362,475)

- Local Revenue Enhancements
 - Activity Fees \$303,225
 - Advertising Initiatives \$ 59,250





Revenues: Funding the Budget

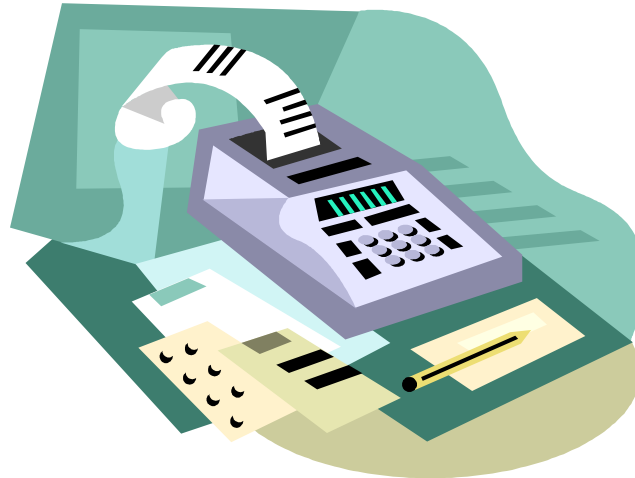
Local Sources (85%)	\$169.8 million
State Sources (13%)	\$25.3 million
Federal Sources (1%)	\$ 3.7 million
TOTAL REVENUE	\$198.8 million
BUDGET GAP before any tax increase or use of reserves	\$3.8 million
Use of Reserves	\$1.37 million
TOTAL before any tax increase	\$200.2 million
BUDGET GAP After use of Reserves (before tax increase)	\$2.4 million

A Look at Millage:

Current millage (11-12): 18.36

Millage needed to balance 12-13 budget: 18.67

Difference: 1.7%



Impact on Taxpayers (Chester County)



Residential	2011-12	2012-13
Avg. Assessment	\$189,850	\$189,850
Millage Rate	18.36	18.67
Avg. R/E Tax Bill	\$3,486	\$3,544



Commercial	2011-12	2012-13
Avg. Assessment	\$867,372	\$867,372
Millage Rate	18.36	18.67
Avg. R/E Tax Bill	\$15,925	\$16,196

Lowering Expenses

Our Past Approach (2009-10 through 2011-12)

Staffing reductions (51.6 fte's)

- 3 administrator positions
- 21 teacher positions (including)
 - 10 Elementary Coaches
 - 4 Guidance Counselors
 - 1 Psychologist
 - 3 Secondary Reading Specialists
 - 2 Secondary CALES
 - 1 Enrollment
- 27.5 support staff positions (including)
 - 10 Elementary Offices
 - 3.7 Central Office
 - 2.8 Business Office
 - 1.5 Human Resource Office
 - 4 Technology Office
 - 6 Custodial and Maintenance



Other

- Reduced building & admin. budgets
- RFPs for health care benefits
- Initiated energy conservation procedures
- Implemented transportation changes
- Reduced facility costs

The Ongoing Budget Struggle

Revenues
expected to remain
relatively flat.



Dramatic increases in
pension contributions.

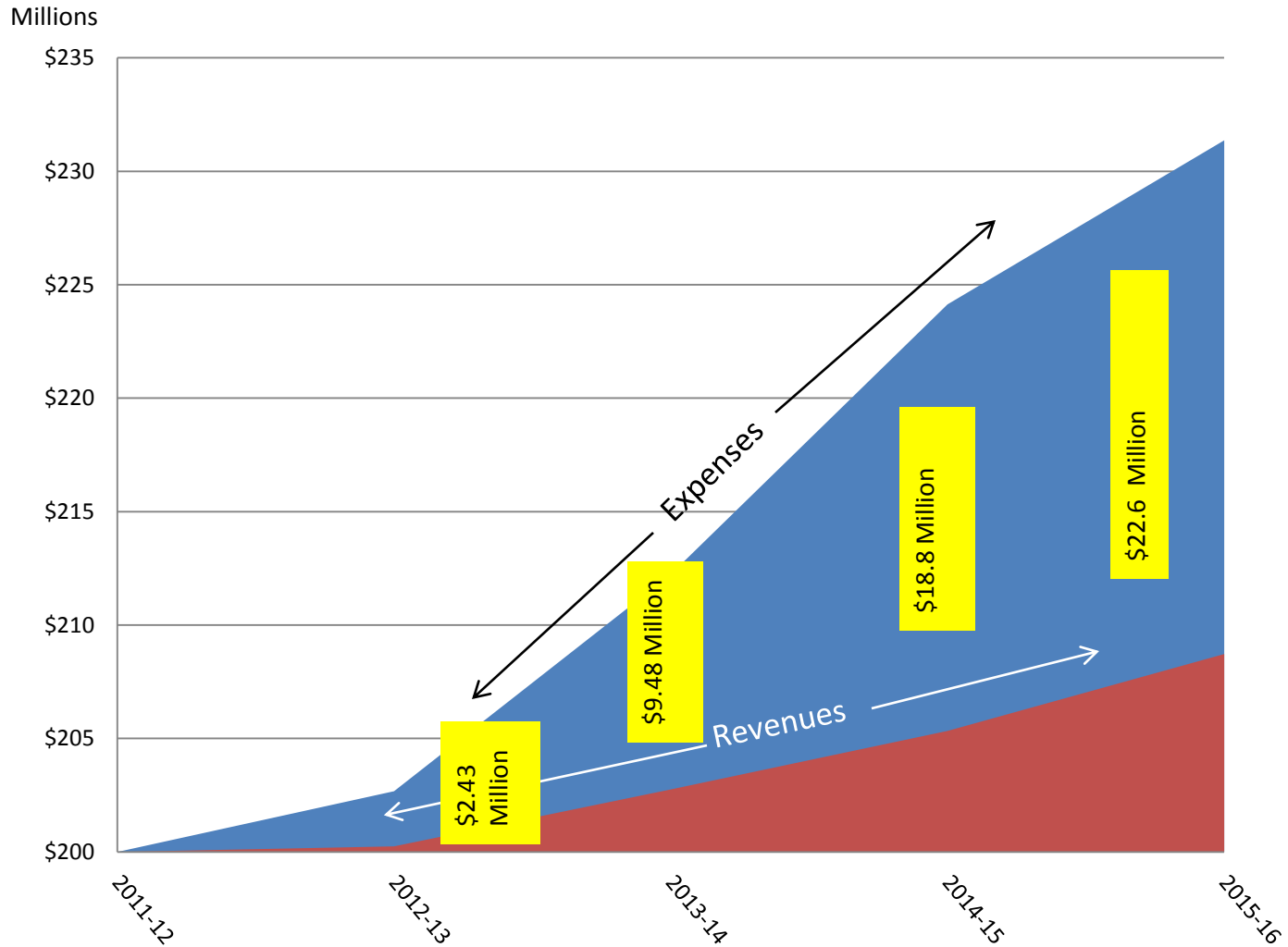
Increased cost of
health benefits.

Looking Ahead at the budget

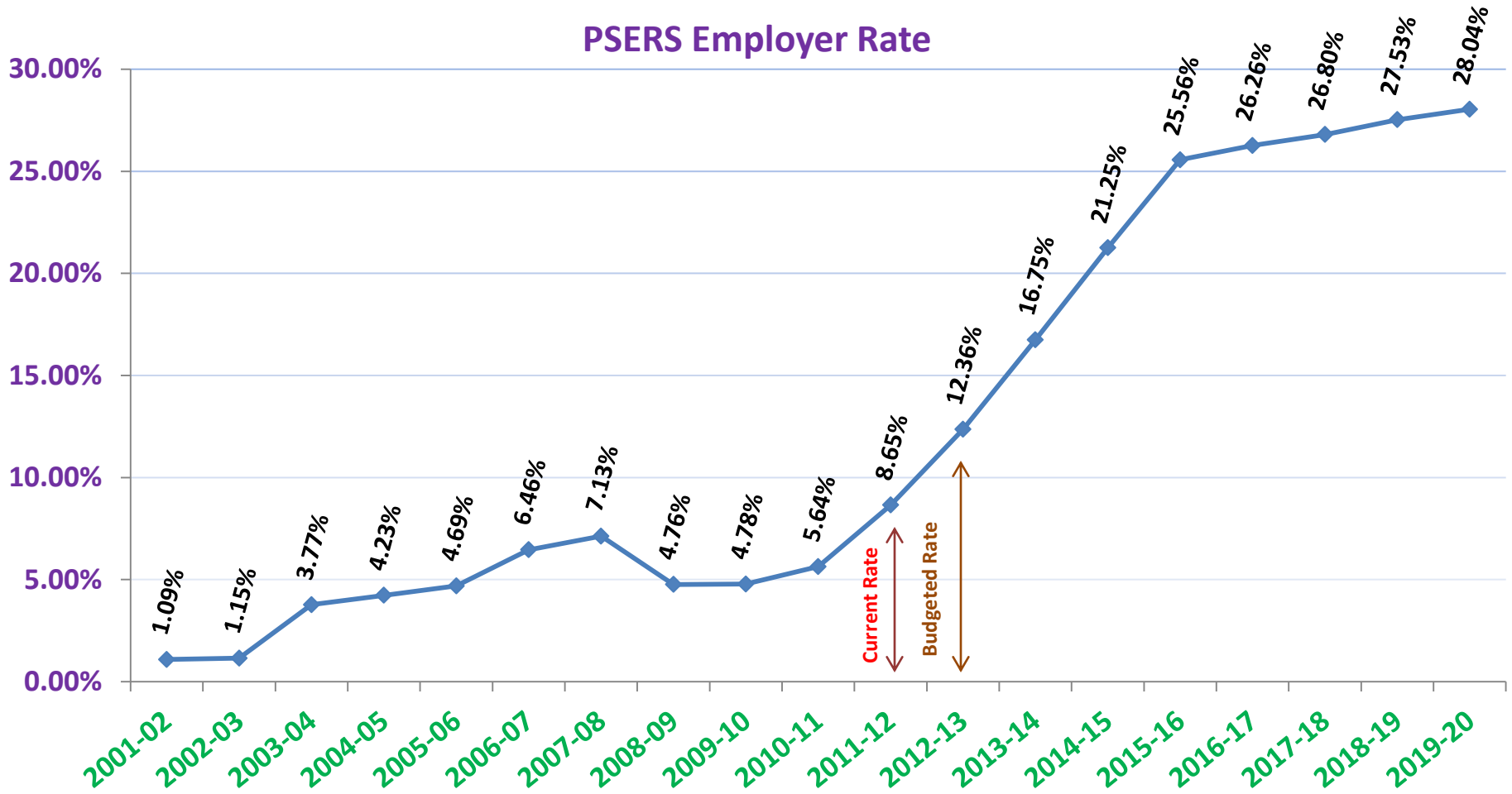
	2011-2012 (Projected)	2012-2013 (Budget)	2013-2014 (Budget)	2014-2015 (Budget)	2015-2016 (Budget)
Revenues	\$198,550,700	\$198,869,000	\$202,020,000	\$205,334,000	\$208,722,000
Expenditures	<u>198,256,000</u>	<u>202,677,000</u>	<u>212,237,000</u>	<u>223,433,100</u>	<u>228,822,400</u>
To/(From) Reserves		<u>(1,378,000)</u>	<u>(735,000)</u>	<u>699,000</u>	<u>2,539,000</u>
Revenues – Over/(Under) Expenditures	<u>\$294,700</u>	<u>(\$2,430,000)</u>	<u>(\$9,482,000)</u>	<u>(\$18,798,000)</u>	<u>(\$22,639,000)</u>
			(Cumulative deficit)	(Cumulative deficit)	(Cumulative deficit)
Act 1 Index	1.4%	1.7%	TBD	TBD	TBD
Est. Millage Increase needed	0.0%	1.7%	4.8%	6.0%	2.2%

Major Assumptions- 1) Salary Costs Increases 0.0% in all budget years 2) PSERS Rates (2012-2013 – 12.36%), (2013-2014 – 16.75%), (2014-2015 – 21.25%), (2015-2015 – 25.56%)

The Budget Gap

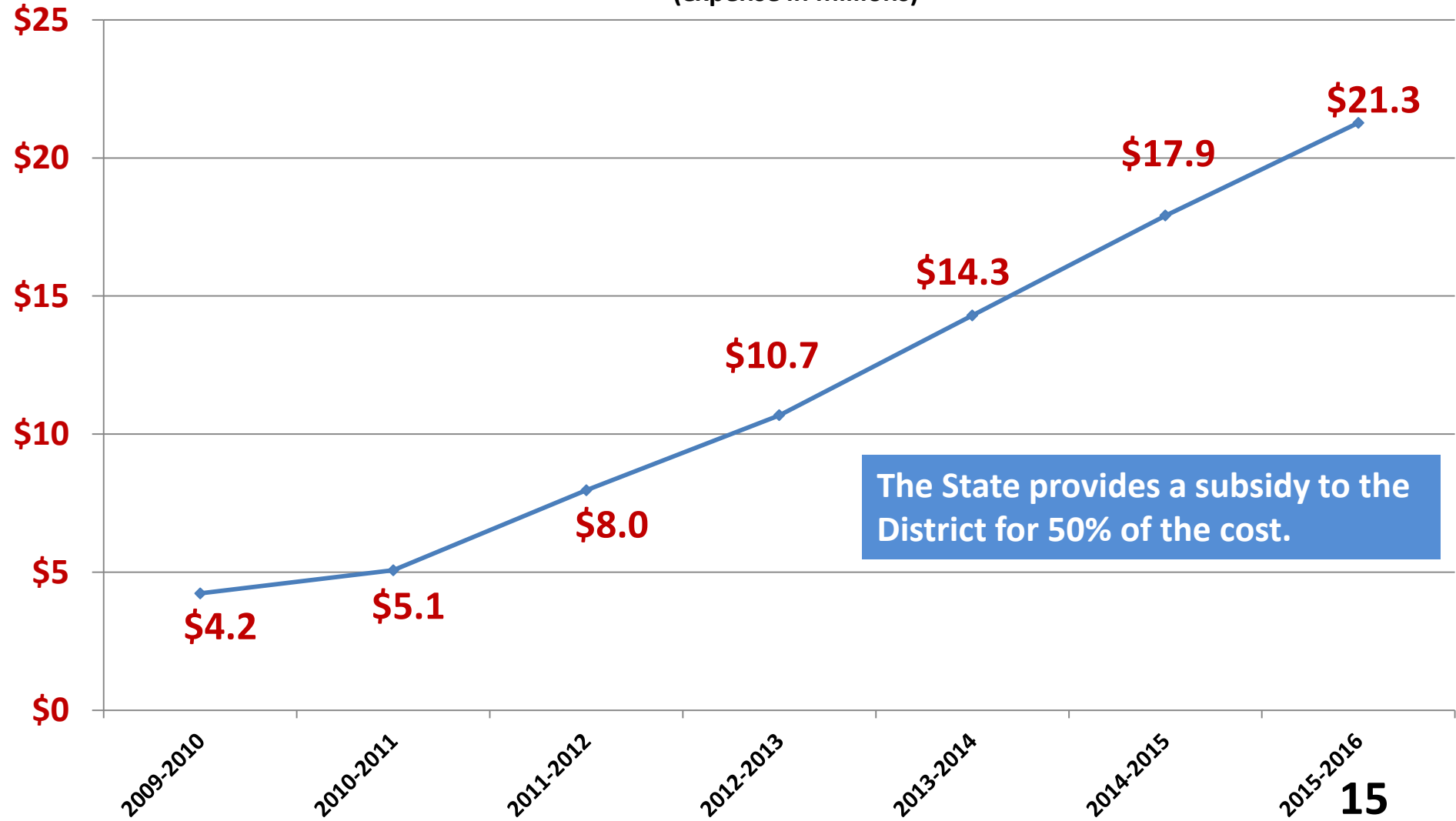


The Growing Pension Issue



The Growing Pension Issue

West Chester Area School District Actual & Projected Pension Costs
(expense in millions)



What's Next? Moving Ahead...

- Continue to look for ways to save money or generate revenue
- Continue conversations.



Budget Timeline

Board adopt preliminary
budget on 3/26/12

Final budget adoption: 4/30/2012

