

West Chester Area School District 2015-16 Budget Discussion

March 16, 2015

West Chester Area School District 2015-16 Budget

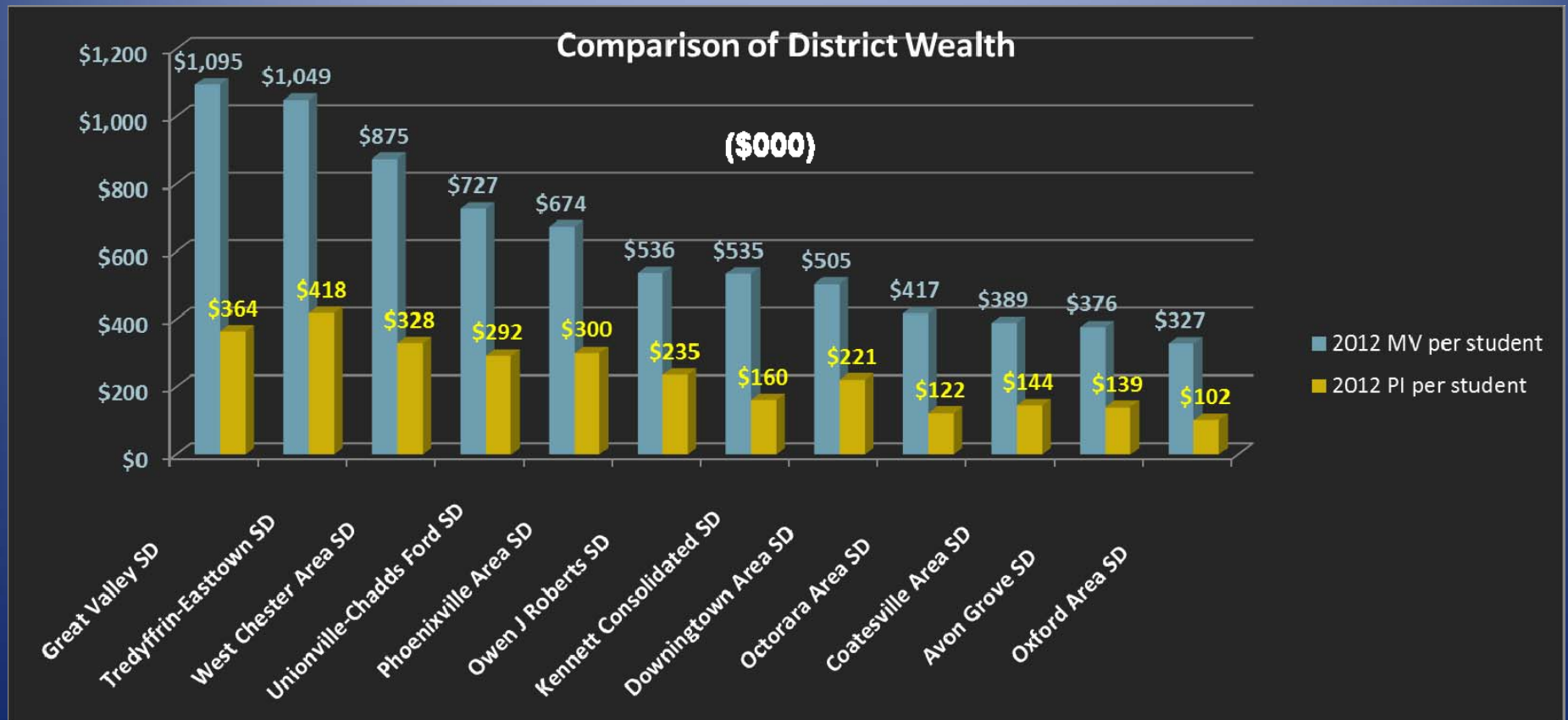
Goal of March 16th Property and Finance Committee

- *Competitive Analysis: Chester County School Districts*
- *History of Millage and Exceptions*
- *Economic Indicators*
- *Options for Balancing the 2015-16 Budget*
- *Impact of Governor's Proposed 2015-16 Budget*

**West Chester Area School District
2015-16 Budget**

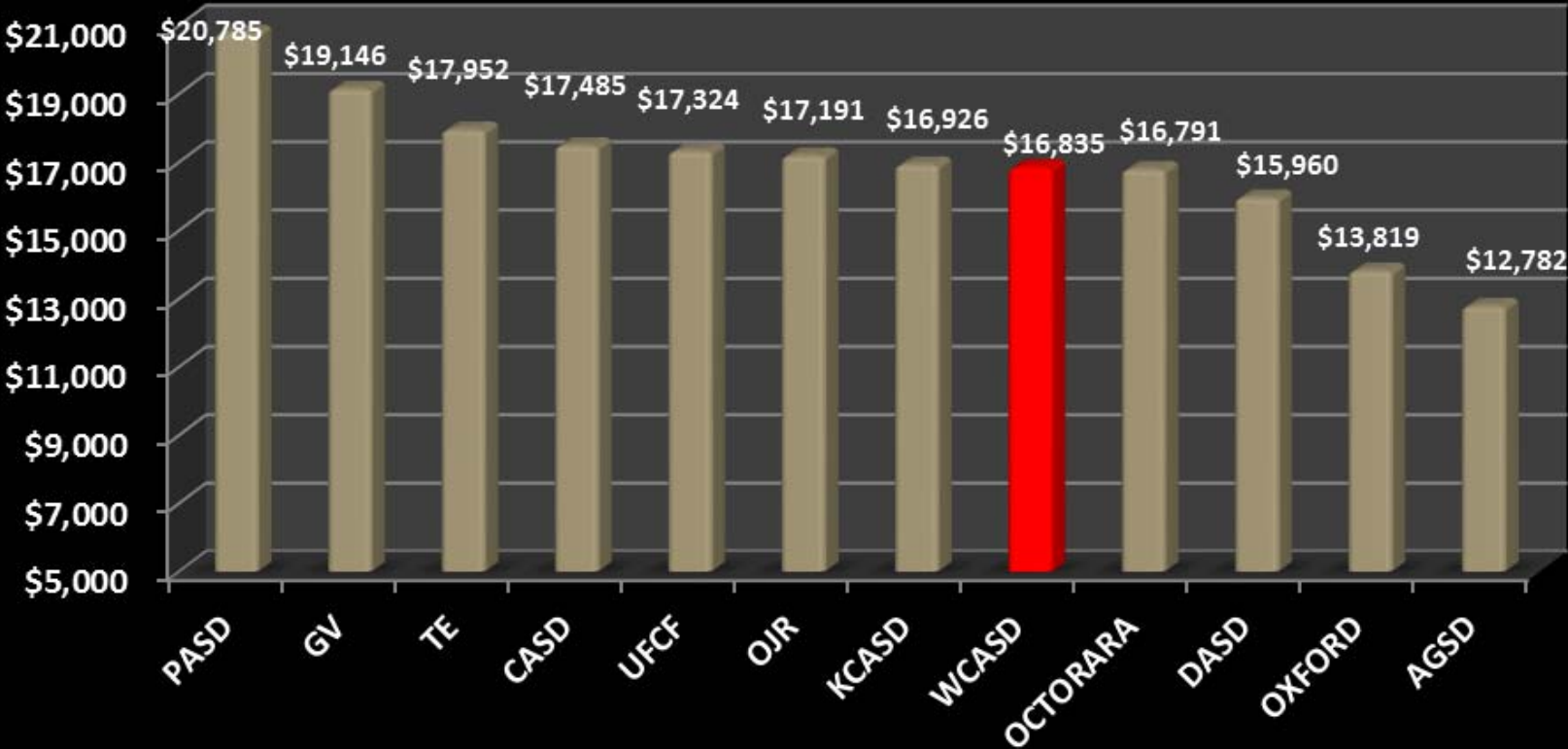
**Competitive
Analysis**

West Chester Area School District 2015-16 Budget



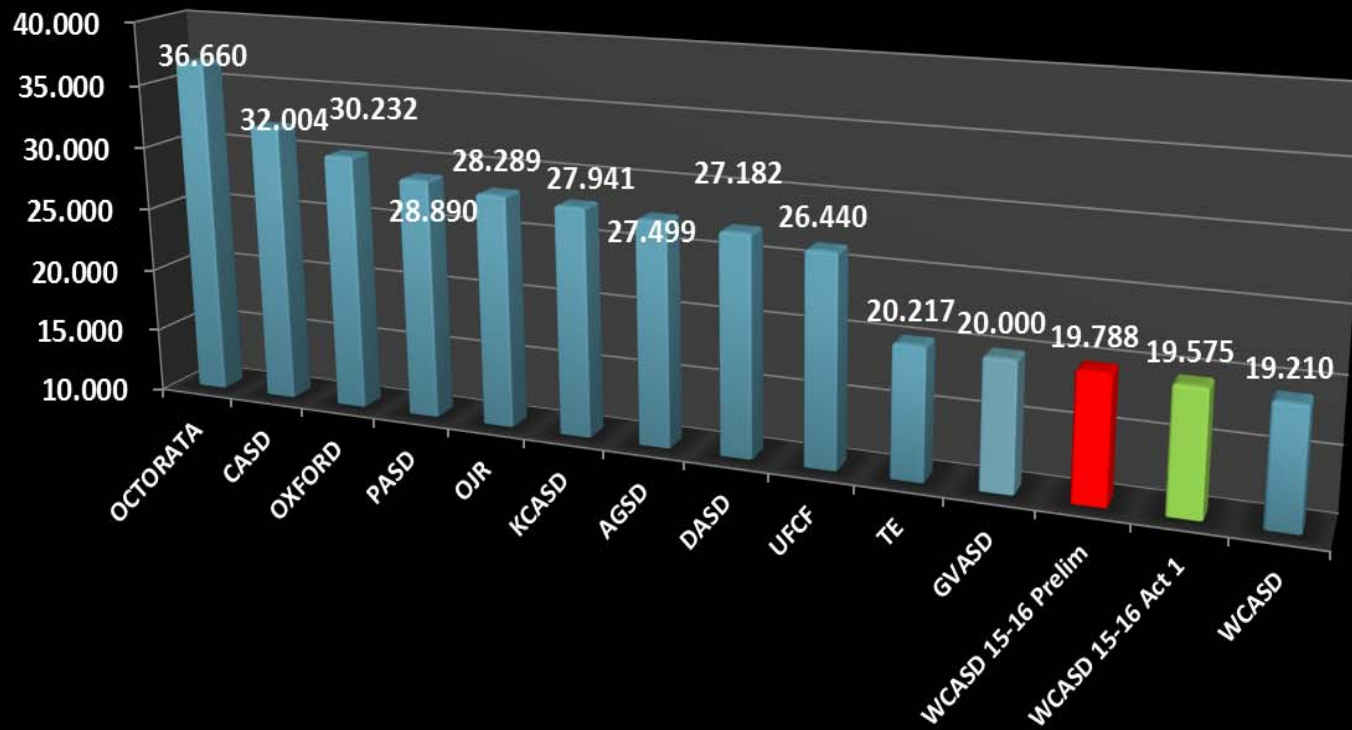
West Chester Area School District 2015-16 Budget

2012-13 Spending/Student

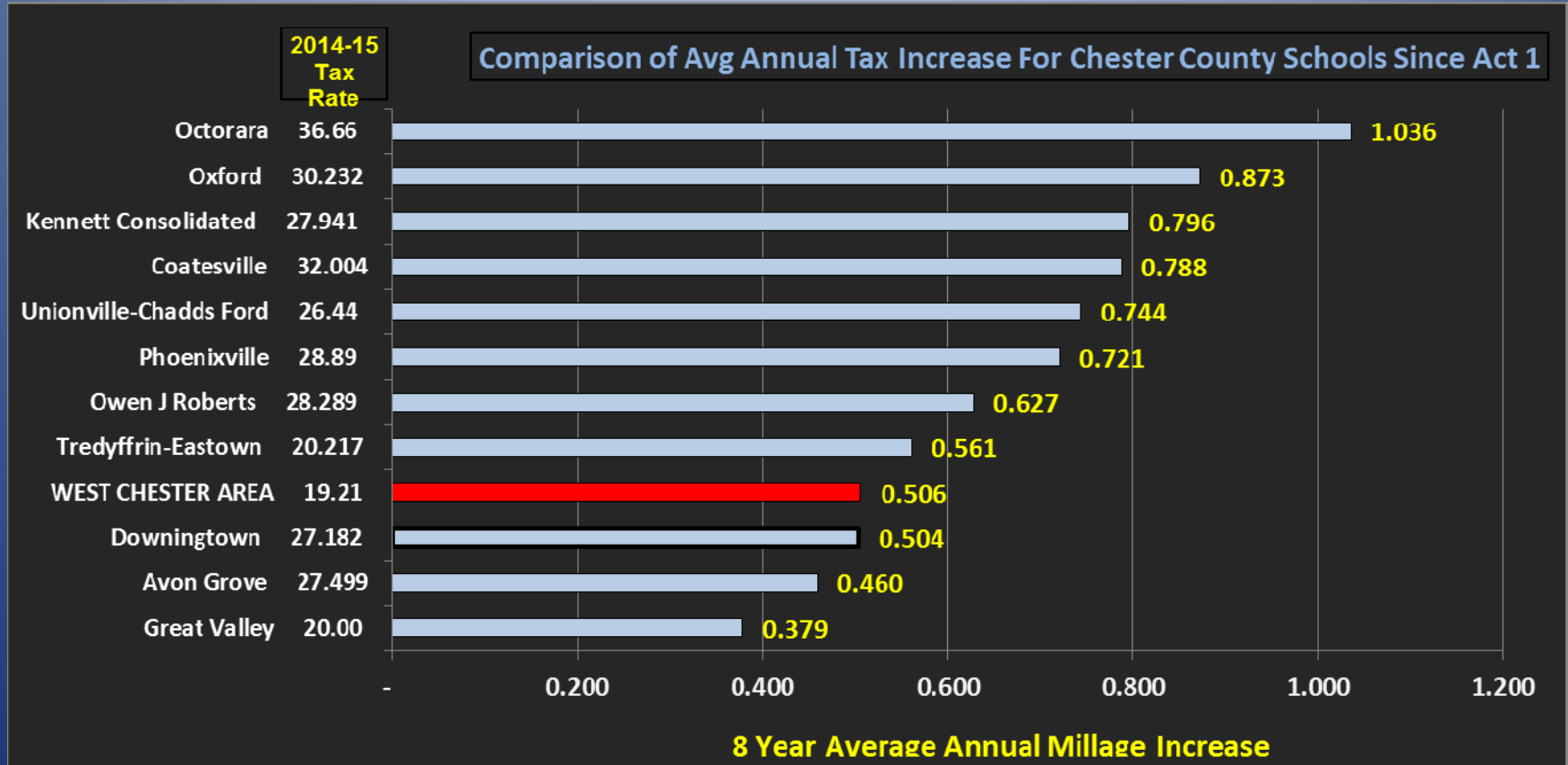


West Chester Area School District 2015-16 Budget

2014-15 Millage Rates Chester County Schools

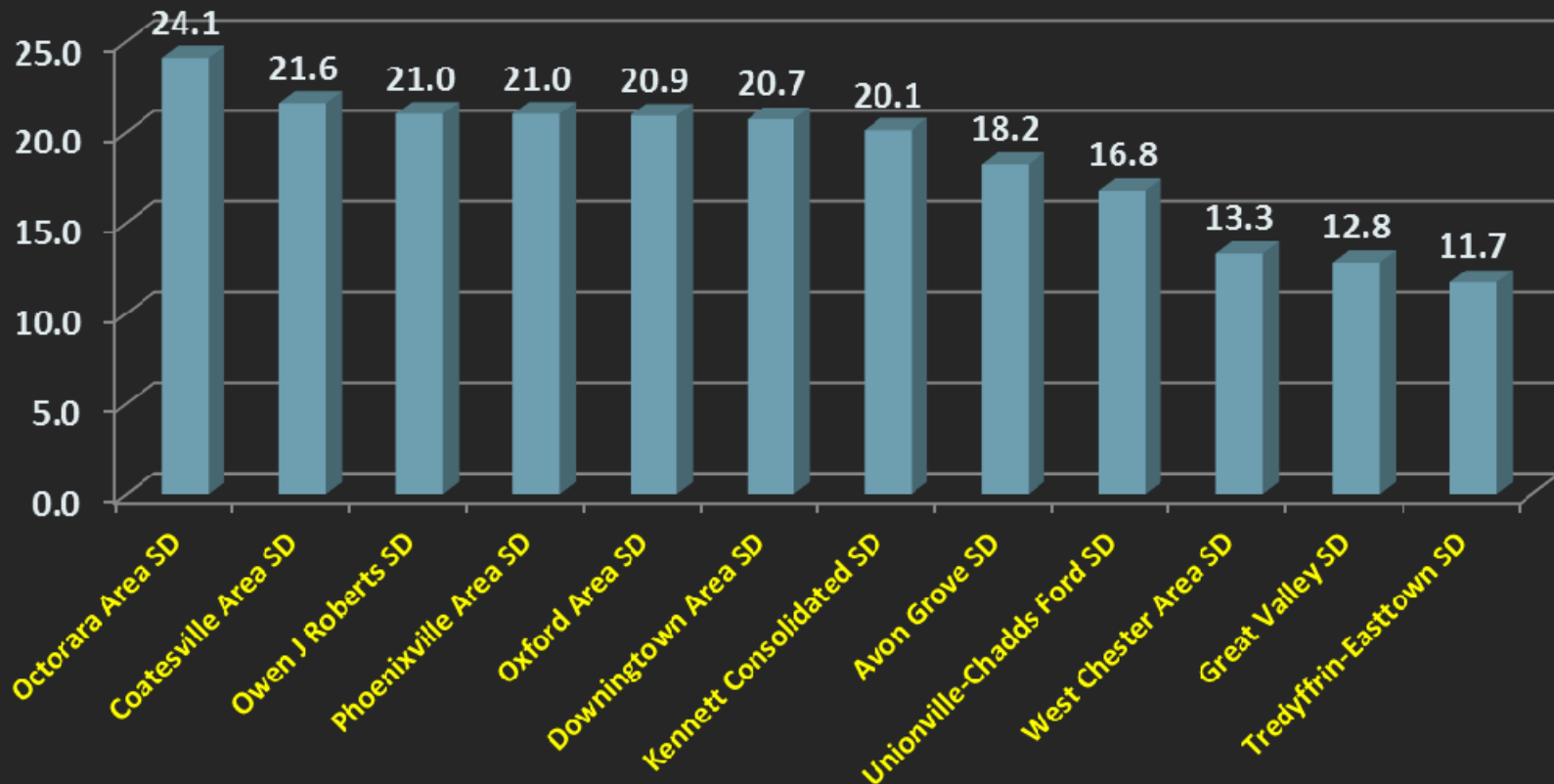


West Chester Area School District 2015-16 Budget



West Chester Area School District 2015-16 Budget

2012-13
Equalized Mills (Total Tax Burden as a % of Wealth)

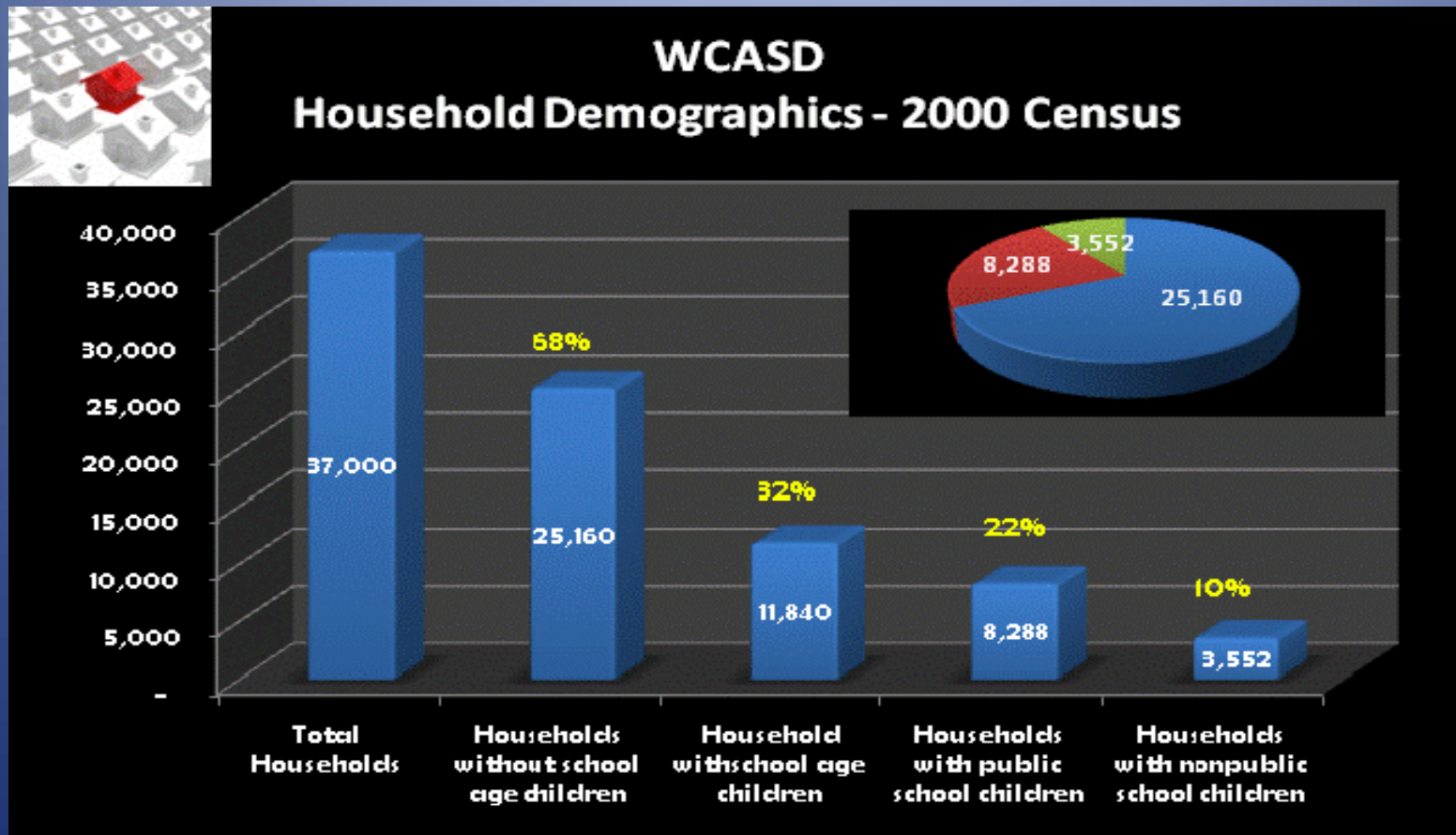


**West Chester Area School District
2014-15 Budget**

Customers and
Taxpayers

West Chester Area School District 2014-15 Budget

Who are our stakeholders and who are our customers?

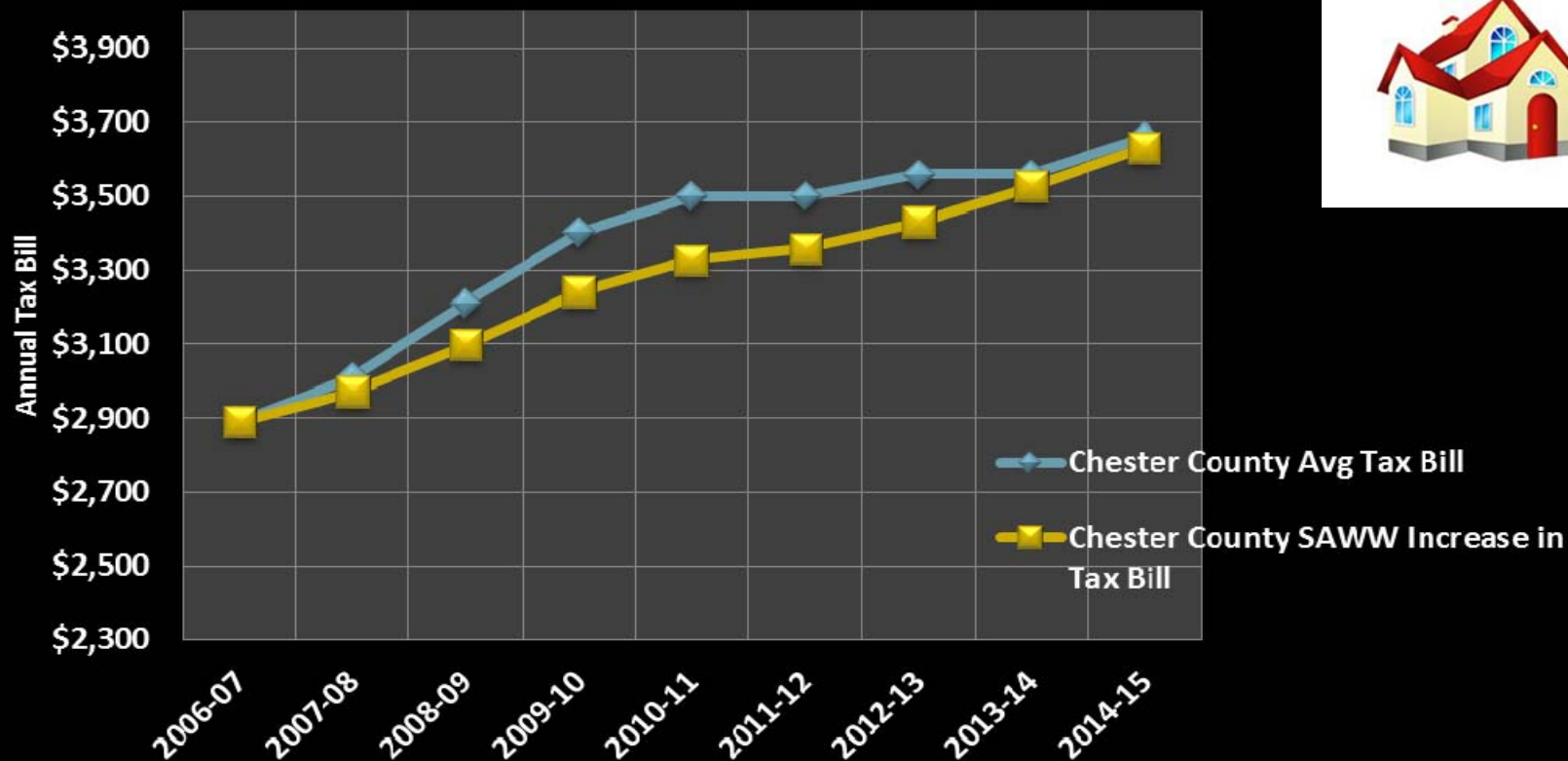


32,000 homeowners pay \$116 million in RE taxes and all working residents pay \$19 million in EIT

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

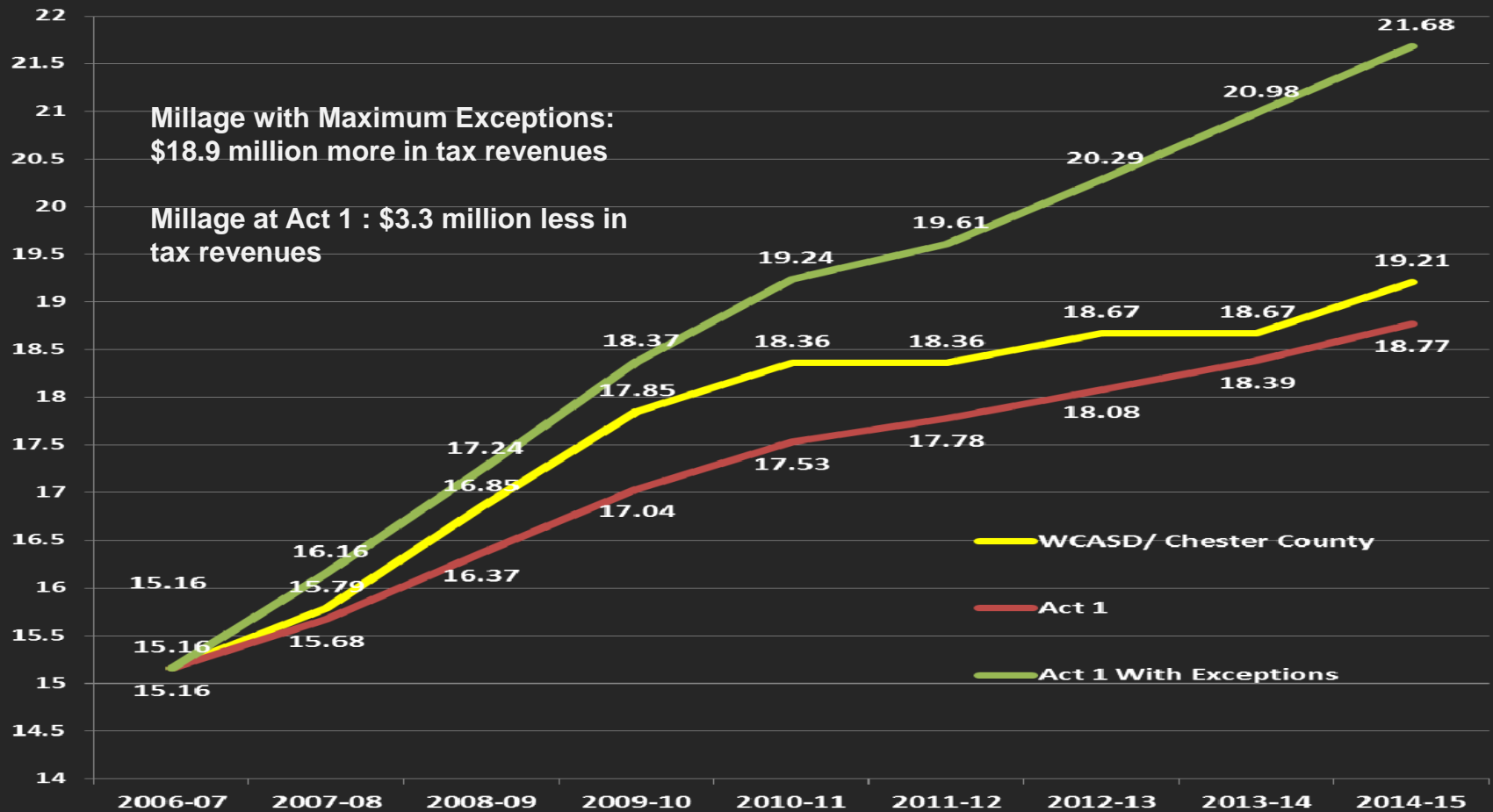
West Chester Area School District 2015-16 Budget Tax Payer Lens

Tax Bill for the Average WCASD Homeowner



West Chester Area School District 2015-16 Budget

Comparison of WCASD Millage Rates to Act 1



**West Chester Area School District
2015-16 Budget**

Impact of the
Economy on our
Taxpayers and
School District

West Chester Area School District 2015-16 Budget

Dow Jones Industrial Average (INDEXDJX:DJI)

Add to portfolio

18,224.57 0.00 (0.00%)

Feb 25 - Close
INDEXDJX real-time data - Disclaimer

Range 18,182.76 - 18,244.38
52 week 15,855.12 - 18,244.38
Open 18,208.67
Vol. 80.48M

g+1 2.4k

Avg. Annual Increase

5 Year : 11.3%

10 Year : 5.2%

6 Year (since 2008 recession): 12.5%

Compare:

Zoom: [1d](#) [5d](#) [1m](#) [3m](#) [6m](#) [YTD](#) [1y](#) [5y](#) [10y](#) [All](#)

Mar 04, 2005 - Feb 25, 2015 +7381.39 (68.08%)



Settings | Technicals | [Link to this view](#)

West Chester Area School District 2015-16 Budget

Housing Values 2000-2015

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 2015-16 Budget

Housing Values 2000-2015

Average Price Per Sqft. for Homes in West Chester

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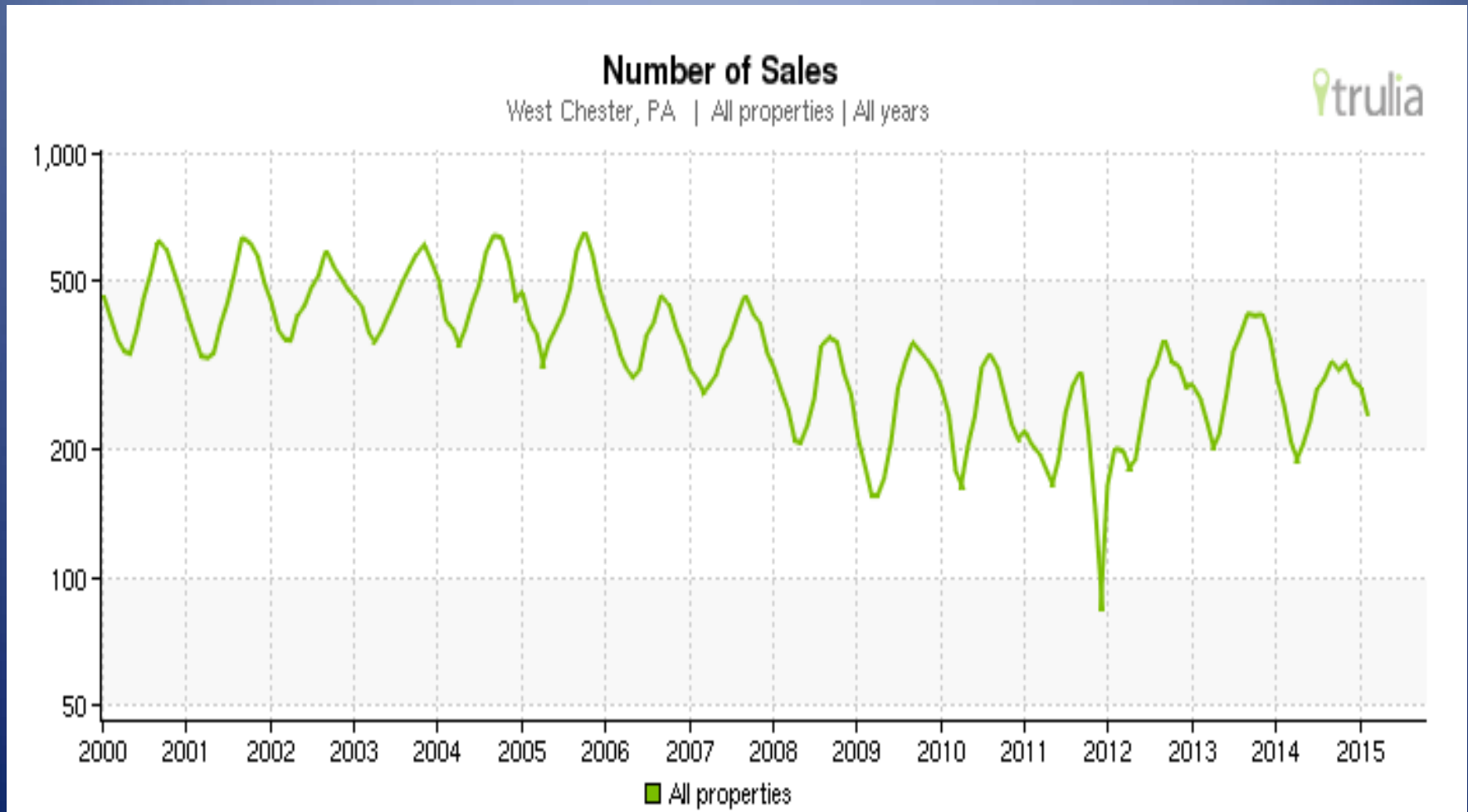
1 Br 2 Br 3 Br 4 Br All properties

Average Price Per Sqft
West Chester, PA | All properties | All years

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West Chester Area School District 2015-16 Budget



West Chester Area School District 2015-16 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	\$60,873	\$1,119
2014-15	\$31,975	\$600
2009-2014	\$464,942	\$8,549

West Chester Area School District 2015-16 Budget

History of Unemployment Rate in Chester County

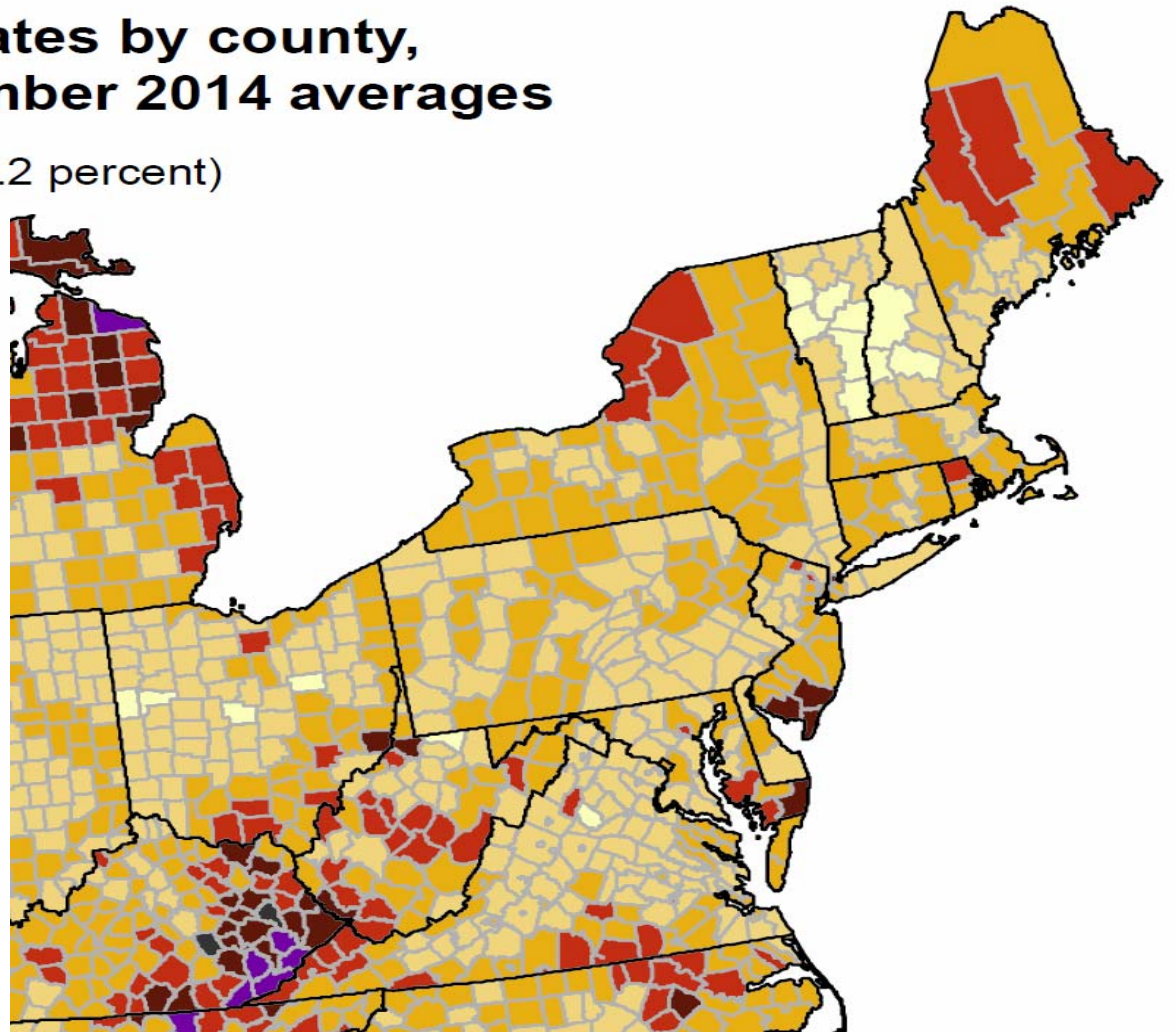
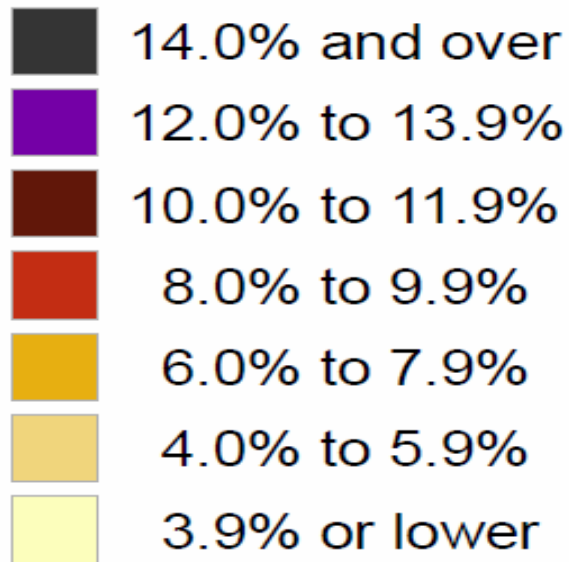
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2007	3.3	3.2	3.1	2.7	3.0	3.3	3.4	3.4	2.9	2.9	3.0	3.0	3.1
2008	3.6	3.6	3.6	3.2	3.7	3.9	4.3	4.5	3.9	4.1	4.3	4.5	3.9
2009	5.6	6.0	6.0	5.7	6.3	6.6	6.8	6.8	6.3	6.3	6.2	6.2	6.2
2010	7.1	7.2	7.2	6.7	6.9	6.9	7.2	7.1	6.2	6.2	6.2	6.0	6.7
2011	6.5	6.4	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	4.6	5.8
2014	5.2	5.0	4.8	3.8	4.4	4.4	5.0	5.2	3.9	3.5	3.5	3.4	4.3

<http://www.bls.gov/lau/data.htm>

West Chester Area School District 2015-16 Budget

Unemployment rates by county, January 2014 - December 2014 averages

(U.S. rate = 6.2 percent)



<http://www.bls.gov/lau/maps/twmcort.pdf>

West Chester Area School District 2015-16 Budget

Pennsylvania Labor Statistics: Preliminary December 2014
Philadelphia and Suburbs

County Name/State Abbreviation	Labor Force	Employed	Unemployed	Unemployment rate %
Chester County, PA	268,132	259,045	9,087	3.4
Montgomery County, PA	431,645	415,412	16,233	3.8
Bucks County, PA	338,183	324,074	14,109	4.2
Delaware County, PA	276,572	264,093	12,479	4.5
Philadelphia County/city, PA	637,057	597,682	39,375	6.2

Chester County has the lowest unemployment rate out of all PA Counties.

**West Chester Area School District
2015-16 Budget**

Management of the
WCASD Budget:
Past, Present and
Future

West Chester Area School District 2015-16 Budget

Act 1 Index Forecast History and Forecast of the Act 1 Base Index

Fiscal Year	Act 1 Index	SAWW	ECI
2006-07	3.9%	4.2%	3.5%
2007-08	3.4%	2.8%	4.0%
2008-09	4.4%	4.3%	4.5%
2009-10	4.1%	4.6%	3.6%
2010-11	2.9%	2.7%	3.0%
2011-12	1.4%	0.9%	1.9%
2012-13	1.7%	2.1%	1.3%
2013-14	1.7%	2.0%	1.4%
2014-15	2.1%	2.6%	1.6%
2015-16	1.9%	2.4%	1.4%
2016-17	2.2%	2.7%	1.7%
2017-18	2.2%	2.8%	1.7%
2018-19	2.5%	3.3%	1.7%
2019-20	2.6%	3.4%	1.7%
<i>Source: Independent Fiscal Office</i>			

West Chester Area School District 2015-16 Budget

Act 1 Index Impact of New Projections for Act 1 Index to Future Budgets in Forecast Model

Year	Forecast Model Act 1 Index	Revised Forecast Model Act 1 Index	Forecast Model Tax Levy @ Act 1	Revised Forecast Model Tax Levy @ Act 1	Real Estate Tax Levy Reduction for Revised Act 1 Index
2016-17	2.40%	2.20%	\$3,649,000	\$3,345,000	-\$304,000
2017-18	2.60%	2.20%	\$3,977,000	\$3,366,000	-\$611,000
2018-19	2.80%	2.50%	\$4,310,000	\$3,848,000	-\$462,000
2019-20	n/a	2.60%			

West Chester Area School District 2015-16 Budget

A	B	C	D	E	F	G	H	I
Managing Retirement Rate Increase In Future Budgets								
Year	PSERS Employer Rate	District Share Pension Cost *	Cost Increase to District	Net Millage Impact	% Millage Increase Impact	Total Millage Increase	Remaining Amount of Tax Increase **	Remaining \$s to Spend on Other Budget Increases
2010-11	5.64%	\$2.6	\$0.4	0.053	0.3%	2.9%	2.6%	\$3.8
2011-12	8.65%	\$3.7	\$1.2	0.140	0.8%	0.0%	-0.8%	-\$1.2
2012-13	12.36%	\$5.2	\$1.5	0.186	1.0%	1.7%	0.7%	\$1.0
2013-14	16.93%	\$7.3	\$2.1	0.249	1.3%	0.0%	-1.3%	-\$2.1
2014-15	21.40%	\$9.5	\$2.2	0.268	1.4%	2.9%	1.5%	\$2.2
2015-16	25.84%	\$11.6	\$2.0	0.246	1.3%	1.9%	0.6%	\$1.0
2016-17	29.69%	\$13.6	\$2.1	0.248	1.3%	2.2%	0.9%	\$1.5
2017-18	30.62%	\$14.3	\$0.7	0.080	0.4%	2.2%	1.8%	\$3.0
2018-19	31.56%	\$15.1	\$0.7	0.086	0.4%	2.5%	2.1%	\$3.6

* District Share of Pension Cost is 50% of PSERS Employer Rate

** Tax Increase is Actual for Prior Years and for Future years assumption is Act 1 Index Based on Independent Fiscal Office Projection

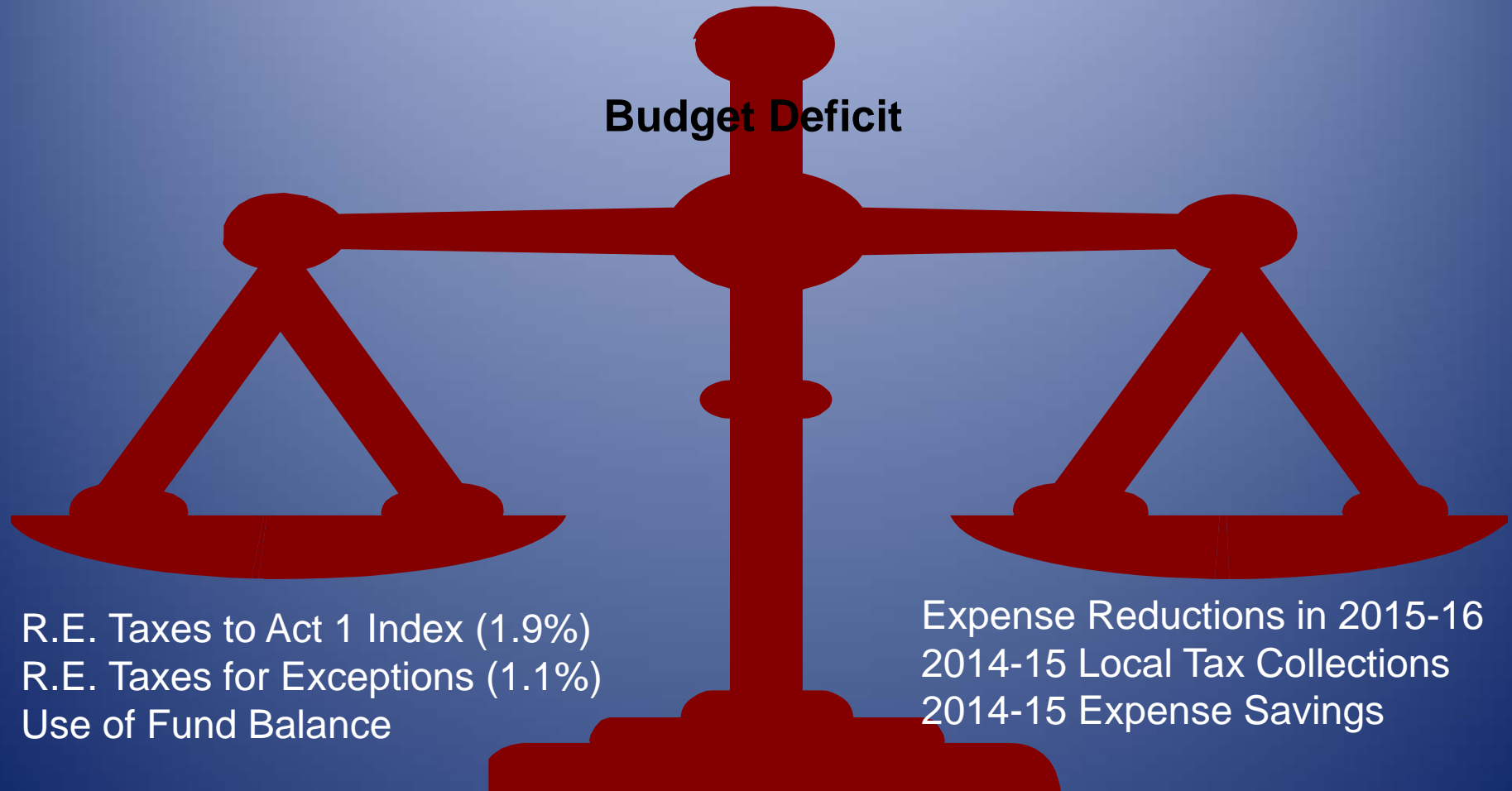
West Chester Area School District 2015-16 Budget

A	B	C	D	E	F	G	H	I
Managing Retirement, Special Education, Charter School Tuition Increases In Future Budgets								
Year	PSERS Cost Increase to District	Special Education	Charter School Tuitions	Total	Net Millage Impact	% Millage Increase	Remaining Amount of Tax Increase **	Remaining \$s to Spend on Other Budget Increases
2010-11	\$0.4	\$1.1	\$0.1	\$1.7	0.200	1.1%	1.8%	\$2.6
2011-12	\$1.2	\$0.4	\$0.5	\$2.1	0.254	1.4%	-1.4%	-\$2.1
2012-13	\$1.5	\$1.3	\$1.0	\$3.8	0.464	2.5%	-0.8%	-\$1.3
2013-14	\$2.1	\$1.4	\$0.1	\$3.5	0.429	2.3%	-2.3%	-\$3.5
2014-15	\$2.2	\$0.1	\$0.2	\$2.5	0.303	1.6%	1.3%	\$2.0
2015-16	\$2.0	\$1.4	\$0.8	\$4.3	0.513	2.6%	-0.7%	-\$1.2
2016-17	\$2.1	\$1.6	\$0.5	\$4.1	0.491	2.5%	-0.3%	-\$0.5
2017-18	\$0.7	\$1.7	\$0.5	\$2.8	0.334	1.6%	0.6%	\$0.9
2018-19	\$0.7	\$1.7	\$0.5	\$3.0	0.351	1.7%	0.8%	\$1.4
* District Share of Pension Cost is 50% of PSERS Employer Rate								
** 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 2015-16 Budget

Balancing 2015-16 Budget

Budget Deficit



West Chester Area School District 2015-16 Budget

Balancing 2015-16 Budget

R.E. Taxes to Act 1 Index (1.9%)	\$2.9 Million
R.E. Taxes for Exceptions (1.1%)	\$0-\$1.7 Million
Use of Fund Balance	\$4.4+ Million
2014-15 Local Tax Collections <ul style="list-style-type: none">• Current Real Estate• Transfer Taxes	?
2014-15 Expense Savings <ul style="list-style-type: none">• Healthcare Claims• Special Education Cost Increases• Other	?
Expense Reductions in 2015-16 <ul style="list-style-type: none">• Staffing Based on Course Selection/Attrition• Healthcare Claims• Other	?

**West Chester Area School District
2015-16 Budget**

Governor's Proposed
2015-16 Budget :
Changes for
Public Education

West Chester Area School District 2015-16 Budget

Governor's Proposed 2015-16 Budget Basic Education & Special Education Funding, Charter School Tuition Savings

School District	Basic Education Funding			Special Education Funding			Combined Funding				Charter School Tuition Reduction
	2014-15 Estimated BEF	2015-16 Proposed BEF	BEF Dollar Increase	2014-15 Estimated SEF	2015-16 Proposed SEF	SEF Dollar Increase	2014-15 Combined BEF and SEF	2015-16 Combined BEF and SEF	BEF & SEF Dollar Increase	Percent Increase	Estimated Cyber Charter School Savings (2013-14)
Avon Grove SD	\$14,977,530	\$16,393,636	\$1,416,106	\$2,331,742	\$2,644,118	\$312,376	\$17,309,272	\$19,037,754	\$1,728,482	9.99%	\$196,036
Coatesville Area SD	\$24,353,632	\$27,526,071	\$3,172,439	\$4,530,842	\$5,146,525	\$615,683	\$28,884,474	\$32,672,596	\$3,788,122	13.11%	\$1,173,479
Downingtown Area SD	\$14,169,883	\$15,496,974	\$1,327,091	\$5,063,482	\$5,504,531	\$441,049	\$19,233,365	\$21,001,505	\$1,768,140	9.19%	\$506,887
Great Valley SD	\$2,381,307	\$2,575,660	\$194,353	\$1,460,401	\$1,497,475	\$37,074	\$3,841,708	\$4,073,135	\$231,427	6.02%	\$455,872
Kennett Consolidated SD	\$5,435,513	\$6,093,147	\$657,634	\$1,583,694	\$1,790,295	\$206,601	\$7,019,207	\$7,883,442	\$864,235	12.31%	\$384,509
Octorara Area SD	\$6,031,304	\$6,601,747	\$570,443	\$1,251,240	\$1,400,355	\$149,115	\$7,282,544	\$8,002,102	\$719,558	9.88%	\$345,549
Owen J Roberts SD	\$5,537,432	\$5,828,509	\$291,077	\$1,744,881	\$1,911,353	\$166,472	\$7,282,313	\$7,739,862	\$457,549	6.28%	\$316,067
Oxford Area SD	\$12,145,718	\$13,267,507	\$1,121,789	\$1,593,064	\$1,943,730	\$350,666	\$13,738,782	\$15,211,237	\$1,472,455	10.72%	\$265,881
Phoenixville Area SD	\$4,306,067	\$4,962,694	\$656,627	\$1,500,233	\$1,575,280	\$75,047	\$5,806,300	\$6,537,974	\$731,674	12.60%	\$298,189
Tredyffrin-Easttown SD	\$3,333,610	\$3,472,107	\$138,497	\$2,220,807	\$2,290,935	\$70,128	\$5,554,417	\$5,763,042	\$208,625	3.76%	\$180,340
Unionville-Chadds Ford SD	\$3,100,455	\$3,240,652	\$140,197	\$1,608,074	\$1,667,923	\$59,849	\$4,708,529	\$4,908,575	\$200,046	4.25%	\$186,373
West Chester Area S	\$7,550,469	\$8,620,307	\$1,069,838	\$5,054,040	\$5,182,080	\$128,040	\$12,604,509	\$13,802,387	\$1,197,878	9.50%	\$910,581
	\$103,322,920	\$114,079,011	\$10,756,091	\$29,942,500	\$32,554,600	\$2,612,100	\$133,265,420	\$146,633,611	\$13,368,191	10.03%	\$5,219,765

West Chester Area School District 2015-16 Budget

Governor's Proposed 2016-17 Property Tax Relief

Property Tax Relief and State Income Tax Increase

School District	Property Tax Reduction for Residents			State Income Tax Increase				Property Tax Reduction V. State Income Tax Increase
	2016-17 Total Property Tax Reduction Allocation	Homestead Property Tax Relief (Gaming Money)	Net Increase in Property Tax Reduction Allocation	2012 Adjusted Personal Income *	3.07%	3.70%	SIT Increase	
Avon Grove SD	\$18,041,373	\$2,673,368	\$15,368,005	\$968,016,819	\$29,718,116	\$35,816,622	\$6,098,506	\$9,269,499
Coatesville Area SD	\$23,810,065	\$3,896,032	\$19,914,033	\$1,486,269,987	\$45,628,489	\$54,991,990	\$9,363,501	\$10,550,532
Downingtown Area SD	\$23,287,160	\$3,828,397	\$19,458,763	\$3,204,806,777	\$98,387,568	\$118,577,851	\$20,190,283	-\$731,519
Great Valley SD	\$7,326,967	\$1,024,017	\$6,302,950	\$1,722,858,942	\$52,891,770	\$63,745,781	\$10,854,011	-\$4,551,061
Kennett Consolidated SD	\$9,120,258	\$1,390,637	\$7,729,621	\$838,963,157	\$25,756,169	\$31,041,637	\$5,285,468	\$2,444,153
Octorara Area SD	\$7,343,010	\$1,128,575	\$6,214,435	\$392,869,270	\$12,061,087	\$14,536,163	\$2,475,076	\$3,739,359
Owen J Roberts SD	\$8,865,962	\$1,446,454	\$7,419,508	\$1,428,796,335	\$43,864,047	\$52,865,464	\$9,001,417	-\$1,581,909
Oxford Area SD	\$12,674,142	\$1,562,926	\$11,111,216	\$516,882,969	\$15,868,307	\$19,124,670	\$3,256,363	\$7,854,853
Phoenixville Area SD	\$7,997,714	\$1,335,009	\$6,662,705	\$1,339,008,336	\$41,107,556	\$49,543,308	\$8,435,753	-\$1,773,047
Tredyffrin-Easttown SD	\$11,317,608	\$2,099,645	\$9,217,963	\$3,172,127,654	\$97,384,319	\$117,368,723	\$19,984,404	-\$10,766,441
Unionville-Chadds Ford SD	\$8,217,680	\$1,488,452	\$6,729,228	\$1,397,914,995	\$42,915,990	\$51,722,855	\$8,806,864	-\$2,077,637
West Chester Area SD	\$19,111,499	\$3,425,250	\$15,686,249	\$4,698,094,232	\$144,231,493	\$173,829,487	\$29,597,994	-\$13,911,745
Total	\$157,113,437	\$25,298,762	\$131,814,675				\$133,349,640	-\$1,534,964

West Chester Area School District 2015-16 Budget

Financial Planning Calendar

PDE Publishes 2015-16 Act 1 Index	September 1, 2014
Final Financial Results for 2013-14 Year	September/October 2014
Initial Deadline for “Official” Decision on Limiting 2015-16 Tax Increase to Act 1 Index	January 2015
WCASD 2015-16 Prelim Budget Adoption	February 2015
Governor’s Proposed Budget Release	March 2015
Review Competitive Analysis, Economic Indicators, Governor’s Proposed Budget	March 2015
Present Budget Revisions to Balance 2015-16 Budget	April & May 2015
WCASD 2015-16 Final Budget Adoption	May 2015
Governor Approves Final 2015-16 State Budget	????