

# **West Chester Area School District**

W  
C

## ***THREE-YEAR FORECAST***

**2004-05**

**2005-06**

**2006-07**

**December 8, 2003**

Prepared by: Suzanne K. Moore, Director of Business Affairs

John Scully, Asst. Director of Business Affairs

03-Dec-03

	ACTUAL 2001-02	ACTUAL 2002-03	BUDGET 2003-04	PROJECTED 2003-04	VARIANCE OVER/(UNDER)
<b>EXPENSES:</b>					
100 SALARIES	65,560,953	66,763,326	69,511,452	70,011,452	500,000
200 BENEFITS	16,109,168	17,396,077	19,440,555	20,230,945	790,390
300 PROFESSIONAL AND TECHNICAL SERVICES	5,682,066	6,900,370	5,895,753	5,895,753	0
400 PURCHASED PROPERTY SERVICES	3,108,977	3,128,680	3,589,546	3,589,546	0
500 OTHER PURCHASED SERVICES	14,516,360	15,439,576	16,641,053	16,538,532	(102,521)
600 SUPPLIES	2,773,718	2,889,692	4,470,186	4,470,186	0
700 PROPERTY	1,148,183	883,053	863,602	863,602	0
800 OTHER OBJECTS	5,682,198	5,264,006	11,305,062	7,670,062	(3,635,000)
900 OTHER FINANCING USES	9,782,834	8,058,176	8,009,000	8,009,000	0
<b>TOTAL</b>	<b>124,364,457</b>	<b>126,722,956</b>	<b>139,726,209</b>	<b>137,279,078</b>	<b>(2,447,131)</b>
<b>REVENUES:</b>					
CURRENT REAL ESTATE TAX	77,896,984	83,996,345	90,256,156	90,256,156	0
INTERIM REAL ESTATE TAX	4,214,280	3,722,616	2,800,000	3,349,800	549,800
PUBLIC UTILITY REALTY TAX	186,655	160,119	120,000	183,000	63,000
PAYMENTS IN LIEU OF TAXES	0	0	0	0	0
EARNED INCOME TAX	12,712,667	12,960,661	13,884,000	13,284,000	(600,000)
REAL ESTATE TRANSFER TAX	3,704,551	3,926,349	2,500,000	3,900,000	1,400,000
DELINQUENT TAXES	2,508,503	2,845,168	1,900,000	2,200,000	300,000
EARNINGS ON INVESTMENTS	1,049,956	617,631	784,540	392,000	(392,540)
TUITION FROM PATRONS	288,575	324,111	320,000	320,000	0
RENT & MISC	24,083	490,606	186,000	186,000	0
BEGINNING FUND BALANCE	9,649,769	4,201,799	4,407,363	4,659,137	251,774
BASIC INSTRUCTIONAL SUBSIDY	5,935,944	6,094,165	6,115,234	6,115,234	0
SPECIAL EDUC SUBSIDY	4,738,818	4,805,401	4,505,400	4,505,400	0
TUITION FOR PRIVATE HOME PLACEMENT	45,187	58,369	45,000	45,000	0
INSTRUCTIONAL SUPPORT TEAMS	0	0	0	0	0
TRANSPORTATION SUBSIDY	4,442,383	5,220,663	5,324,450	5,481,696	157,246
VOCATIONAL EDUC SUBSIDY	0	0	500	500	0
RENT SUBSIDY	879,238	795,489	1,500,000	1,500,000	0
MIGRATORY CHILDREN	0	0	50	50	0
MEDICAL, DENTAL & NURSE SVCES	269,849	280,120	275,000	275,000	0
HOMEBOUND INSTRUCTION	240	135	0	0	0
RETIREMENT SUBSIDY	360,311	393,333	1,333,545	1,333,545	0
SOCIAL SECURITY SUBSIDY	2,532,836	2,647,344	2,640,000	2,640,000	0
REVENUE IMPACT OF CHARTER SCHOOLS	27,805	817,710	828,971	828,971	0
SCHOOL PERFORMANCE INCENTIVES	2,500	0	0	0	0
REFUND OF PRIOR YEARS	0	0	0	0	0
RECEIPTS FROM LEAs	0	0	0	0	0
CAPITAL RESERVE FUND TRANSFERS	0	0	0	0	0
<b>TOTAL</b>	<b>131,471,134</b>	<b>134,358,134</b>	<b>139,726,209</b>	<b>141,455,489</b>	<b>1,729,280</b>
ENDING FUND BALANCE	4,201,799	4,659,137	0	4,176,411	4,176,411
FUND BALANCE RESERVE FOR TECHNOLOGY IN THE CURRENT YEAR BUDGET	2,904,878	2,976,041			

**BUDGET  
2003-04**

1. NET AMOUNT TO BE RAISED FROM R E TAXES	90,256,156
2. GROSS TAX TO BE LEVIED	93,626,718
3. EQUALIZATION BETWEEN COUNTIES	
CHESTER %	95.39%
DELAWARE %	4.61%
CHESTER LEVY	89,311,130
DELAWARE LEVY	<u>4,315,588</u>
	93,626,718
4. MILLAGE CALCULATION	
CHESTER CO TAX LEVY	89,311,130
CHESTER CO ASSESSED VALUE	7,095,522,937
CHESTER CO MILLAGE	12.59
PREVIOUS YR MILLAGE	<u>12.11</u>
INCREASE	<u>0.48</u>
DELAWARE CO TAX LEVY	4,315,588
DELAWARE CO ASSESSED VALUE	423,042,041
DELAWARE CO MILLAGE	10.20
PREVIOUS YR MILLAGE	<u>11.13</u>
INCREASE	<u>(0.93)</u>

	FORECAST					
	2004-05	% +/-	2005-06	% +/-	2006-07	% +/-
<b>EXPENSES:</b>						
100 SALARIES	72,923,560	4.2%	75,966,284	4.2%	80,914,929	6.5%
200 BENEFITS	22,049,523	9.0%	23,982,228	8.8%	27,050,394	12.8%
300 PROFESSIONAL AND TECHNICAL SERVICES	6,124,399	3.9%	6,362,493	3.9%	6,610,448	3.9%
400 PURCHASED PROPERTY SERVICES	3,697,232	3.0%	3,808,149	3.0%	4,321,122	13.5%
500 OTHER PURCHASED SERVICES	17,420,968	5.3%	18,877,117	8.4%	20,414,030	8.1%
600 SUPPLIES	4,650,815	4.0%	4,838,875	4.0%	6,890,436	42.4%
700 PROPERTY	889,510	3.0%	916,195	3.0%	1,110,206	21.2%
800 OTHER OBJECTS	10,000,829	30.4%	12,818,561	28.2%	13,165,205	2.7%
900 OTHER FINANCING USES	9,197,000	14.8%	9,784,000	6.4%	10,043,000	2.6%
<b>TOTAL</b>	<b>146,953,836</b>	<b>7.0%</b>	<b>157,353,902</b>	<b>7.1%</b>	<b>170,519,769</b>	<b>8.4%</b>
<b>REVENUES:</b>						
CURRENT REAL ESTATE TAX	102,663,330	13.7%	113,234,120	10.3%	126,501,224	11.7%
INTERIM REAL ESTATE TAX	2,649,800	-20.9%	2,649,800	0.0%	1,649,800	-37.7%
PUBLIC UTILITY REALTY TAX	183,000	0.0%	183,000	0.0%	183,000	0.0%
PAYMENTS IN LIEU OF TAXES	0		0		0	
EARNED INCOME TAX	13,549,680	2.0%	13,956,170	3.0%	14,374,856	3.0%
REAL ESTATE TRANSFER TAX	3,900,000	0.0%	3,900,000	0.0%	3,400,000	-12.8%
DELINQUENT TAXES	2,800,000	27.3%	2,200,000	-21.4%	2,200,000	0.0%
EARNINGS ON INVESTMENTS	430,331	9.8%	460,786	7.1%	499,340	8.4%
TUITION FROM PATRONS	336,000	5.0%	352,800	5.0%	370,440	5.0%
RENT & MISC	15,000	-91.9%	15,000	0.0%	15,000	0.0%
BEGINNING FUND BALANCE	4,176,411	-10.4%	3,673,846	-12.0%	3,933,848	7.1%
BASIC INSTRUCTIONAL SUBSIDY	6,268,115	2.5%	6,424,818	2.5%	6,585,438	2.5%
SPECIAL EDUC SUBSIDY	4,730,670	5.0%	4,967,204	5.0%	5,215,564	5.0%
TUITION FOR PRIVATE HOME PLACEMENT	100,000	122.2%	100,000	0.0%	100,000	0.0%
INSTRUCTIONAL SUPPORT TEAMS	0		0		0	
TRANSPORTATION SUBSIDY	5,646,147	3.0%	5,815,532	3.0%	5,989,998	3.0%
VOCATIONAL EDUC SUBSIDY	500	0.0%	500	0.0%	500	0.0%
RENT SUBSIDY	900,000	-40.0%	950,000	5.6%	1,000,000	5.3%
MIGRATORY CHILDREN	0		0		0	
MEDICAL, DENTAL & NURSE SVCS	275,000	0.0%	275,000	0.0%	230,000	-16.4%
HOMEBOUND INSTRUCTION	0		0		0	
RETIREMENT SUBSIDY	1,374,609	3.1%	1,431,964	4.2%	1,525,246	6.5%
SOCIAL SECURITY SUBSIDY	2,749,810	4.2%	2,864,545	4.2%	3,051,150	6.5%
REVENUE IMPACT OF CHARTER SCHOOLS	1,004,123	21.1%	1,113,750	10.9%	1,402,500	25.9%
SCHOOL PERFORMANCE INCENTIVES	0		0		0	
REFUND OF PRIOR YEARS	0		0		0	
RECEIPTS FROM LEAS	0		0		0	
CAPITAL RESERVE FUND TRANSFERS	0		0		0	
<b>TOTAL</b>	<b>153,752,525</b>	<b>8.7%</b>	<b>164,568,835</b>	<b>7.0%</b>	<b>178,227,903</b>	<b>8.3%</b>
ENDING FUND BALANCE	3,673,846	-12.0%	3,933,848		4,262,994	
FUND BALANCE RESERVE FOR TECHNOLOGY IN THE CURRENT YEAR BUDGET	3,124,843		3,281,085		3,445,139	

	2004-05	% +/-	2005-06	% +/-	2006-07	% +/-
1. NET AMOUNT TO BE RAISED FROM R E TAXES	102,663,330	13.7%	113,234,120	10.3%	126,501,224	11.7%
2. GROSS TAX TO BE LEVIED	106,497,230	13.7%	117,462,780	10.3%	131,225,336	11.7%
3. EQUALIZATION BETWEEN COUNTIES						
CHESTER %	95.10%		95.10%		95.10%	
DELAWARE %	4.90%		4.90%		4.90%	
CHESTER LEVY	101,275,740		111,703,657		124,791,443	
DELAWARE LEVY	5,221,490		5,759,124		6,433,893	
<b>TOTAL</b>	<b>106,497,230</b>		<b>117,462,780</b>		<b>131,225,336</b>	
4. MILLAGE CALCULATION						
CHESTER CO TAX LEVY	101,275,740		111,703,657		124,791,443	
CHESTER CO ASSESSED VALUE	7,093,245,000		7,243,301,353		7,361,182,330	
CHESTER CO MILLAGE	14.28		15.42		16.95	
PREVIOUS YR MILLAGE	12.59		14.28		15.42	
<b>INCREASE</b>	<b>1.69</b>	<b>13.4%</b>	<b>1.14</b>	<b>8.0%</b>	<b>1.53</b>	<b>9.9%</b>
DELAWARE CO TAX LEVY	5,221,490		5,759,124		6,433,893	
DELAWARE CO ASSESSED VALUE	423,288,000		453,888,000		484,488,000	
DELAWARE CO MILLAGE	12.34		12.69		13.28	
PREVIOUS YR MILLAGE	10.20		12.34		12.69	
<b>INCREASE</b>	<b>2.1</b>	<b>20.9%</b>	<b>0.4</b>	<b>2.9%</b>	<b>0.6</b>	<b>4.7%</b>

Does not include increase in PSERS contributions

**ASSUMPTIONS USED FOR THE 3 YEAR FORECAST DATED DECEMBER 8, 2003**

MILL VALUE

CHESTER COUNTY

DELAWARE COUNTY

	<u>MILL VAL</u>	<u>+/-</u> <u>AMOUNT</u>	<u>+/-</u> <u>PERCENT</u>		<u>MILL VAL</u>	<u>+/-</u> <u>AMOUNT</u> <u>#REF!</u>	<u>+/-</u> <u>PERCENT</u> <u>#REF!</u>
1991-92	\$351,659				\$4,955		
1992-93	\$356,877	\$5,218	1.5%		\$5,060	\$105	2.1%
1993-94	\$357,908	\$1,031	0.3%		\$5,179	\$119	2.4%
1994-95	\$361,317	\$3,409	1.0%		\$5,676	\$497	9.6%
1995-96	\$366,452	\$5,135	1.4%		\$5,943	\$267	4.7%
1996-97	\$371,134	\$4,682	1.3%		\$6,279	\$336	5.7%
1997-98	\$377,214	\$6,080	1.6%		\$6,812	\$533	8.5%
1998-99	\$5,802,675	n/a	n/a		\$7,332	\$520	7.6%
1999-00	\$5,997,965	\$195,290	3.4%		\$7,332	\$0	0.0%
2000-01	\$6,290,347	\$292,382	4.9%		\$354,071	n/a	n/a
2001-02	\$6,603,363	\$313,016	5.0%		\$356,290	\$2,219	0.6%
2002-03	\$6,858,177	\$254,814	3.9%		\$381,961	\$25,671	7.2%
2003-04	\$7,095,523	\$237,346	3.5%		\$423,042	\$41,081	10.8%
10 YEAR AVERAGE		\$145,795	2.3%			\$7,112	4.6%
5 YEAR AVERAGE		\$258,570	3.4%			\$13,794	3.1%
3 YEAR AVERAGE		\$268,392	4.6%			\$22,990	2.6%
FORECAST:	<u>Mill Value</u>	<u>Increase</u>			<u>Mill Value</u>	<u>Increase</u>	
2004-05	7,093,245	235,068			\$423,288	41,327	
2005-06	7,243,301	150,056			\$453,888	30,600	
2006-07	7,361,182	117,881			\$484,488	30,600	

**ASSUMPTIONS USED FOR THE 3 YEAR FORECAST DATED DECEMBER 8, 2003**

**ANALYSIS OF TAXABLE REAL ESTATE**

CHESTER COUNTY				DELAWARE COUNTY			
COMMERCIAL	MILL VAL	+/- AMOUNT	+/- PERCENT	COMMERCIAL	MILL VAL	+/- AMOUNT	+/- PERCENT
1999-00	1,142,232			1999-00	193		
2000-01	1,208,838	66,606	5.51%	2000-01	3,887	3,694 n/a	0.00%
2001-02	1,302,562	93,724	7.20%	2001-02	3,887	-	0.00%
2002-03	1,348,643	46,081	3.42%	2002-03	3,887	-	0.00%
2003-04	1,397,096	48,453	3.47%	2003-04	3,887	-	0.00%
2004-05	1,479,807	82,711	5.59%	2004-05	3,887	-	0.00%
2005-06	1,530,343	50,536	3.30%	2005-06	3,887	-	0.00%
2006-07	1,582,605	52,262	3.30%	2005-06	3,887	-	0.00%
		Average increase	4.54%			Average increase	0.00%
RESIDENTIAL	MILL VAL	+/- AMOUNT	+/- PERCENT	RESIDENTIAL	MILL VAL	+/- AMOUNT	+/- PERCENT
1999-00	4,720,124			1999-00	7,139		
2000-01	4,943,506	223,382	4.52%	2000-01	350,184	343,045 na/	
2001-02	5,174,525	231,019	4.46%	2001-02	352,403	2,219	0.63%
2002-03	5,373,913	199,388	3.71%	2002-03	377,828	25,425	6.73%
2003-04	5,588,625	214,712	3.84%	2003-04	419,155	41,327	9.86%
2004-05	5,646,625	58,000	1.03%	2004-05	449,755	30,600	6.80%
2005-06	5,704,625	58,000	1.02%	2005-06	480,355	30,600	6.37%
2006-07	5,721,625	17,000	0.30%	2005-06	510,955	30,600	5.99%
		Average increase	2.70%			Average increase	6.06%
OTHER	MILL VAL	+/- AMOUNT	+/- PERCENT	OTHER	MILL VAL	+/- AMOUNT	+/- PERCENT
1999-00	135,609			1999-00			#DIV/0!
2000-01	138,003	2,394	1.73%	2000-01		-	#DIV/0!
2001-02	126,276	(11,727)	-9.29%	2001-02		-	#DIV/0!
2002-03	135,621	9,345	6.89%	2002-03		-	#DIV/0!
2003-04	107,524	9,345	8.69%	2003-04		-	#DIV/0!
2004-05	116,869	9,345	8.00%	2004-05		-	#DIV/0!
2005-06	126,214	9,345	7.40%	2005-06		-	#DIV/0!
2006-07	135,559	9,345	6.89%	2005-06		-	#DIV/0!
		Average increase	4.33%			Average increase	#DIV/0!
TOTAL	MILL VAL	+/- AMOUNT	+/- PERCENT	TOTAL	MILL VAL	+/- AMOUNT	+/- PERCENT
1999-00	5,997,965			1999-00	7,332		0.00%
2000-01	6,290,347	292,382	4.65%	2000-01	354,071	346,739 n/a	
2001-02	6,603,363	313,016	4.74%	2001-02	356,290	2,219	0.62%
2002-03	6,858,177	254,814	3.72%	2002-03	381,715	25,425	6.66%
2003-04	7,093,245	235,068	3.31%	2003-04	423,042	41,327	9.77%
2004-05	7,243,301	150,056	2.07%	2004-05	453,642	30,600	6.75%
2005-06	7,361,182	117,881	1.60%	2005-06	484,242	30,600	6.32%
2005-06	7,439,789	78,607	1.06%	2005-06	514,842	30,600	5.94%
		Average increase	3.02%			Average increase	5.15%

o IN CHESTER COUNTY INCREASE IN COMMERCIAL PROPERTY ASSUMES A 5 YEAR AVERAGE GROWTH. IT ALSO INCLUDES \$35 MILLION FOR MAIN STREET AT EXTON FOR 04-05.

o IN CHESTER COUNTY INCREASE IN RESIDENTIAL ASSESSED VALUE TAKEN FROM THE RESEARCH DONE BY THE 2002 REDISTRICTING COMMITTEE FOR NEW HOUSING DEVELOPMENTS. ALL PROPERTIES UNDER CONSTRUCTION PRIOR TO THE START OF THE 2002-03 SCHOOL YEAR ARE PHASED IN OVER 3 YEARS, ALL PROJECTS SCHEDULED TO BEGIN IN THE 2002-03 SCHOOL YEAR WERE PHASED IN OVER 7 YEARS.

o IN DELAWARE COUNTY INCREASE IN RESIDENTIAL ASSESSED VALUE TAKEN FROM THE RESEARCH DONE BY THE 2002 REDISTRICTING COMMITTEE FOR NEW HOUSING DEVELOPMENTS. ALL PROPERTY ASSESSMENT WERE PHASED IN OVER 7 YEARS. REDISTRICTING RESEARCH REPORTS 7 NEW HOUSING DEVELOPMENTS WITH A TOTAL OF 345 SINGLE FAMILY HOMES ( AVG ASSESSMENT \$342,000) AND 386 TOWNHOUSES (AVG ASSESSMENT \$250,000.)

**ASSUMPTIONS USED FOR THE 3 YEAR FORECAST DATED DECEMBER 8, 2003**

**TAX COLLECTION FACTOR**

o ASSUME TAX COLLECTION FACTOR:	96.4%	2004-05
	96.4%	2005-06
	96.4%	2006-07

**EQUALIZATION BETWEEN COUNTIES**

o ASSUME EQUALIZATION BETWEEN COUNTIES BASED ON 2000 CERT MARKET VALUES:

EQUALIZATION		6/01 CERT. MARKET VALUES	
CHESTER	DELAWARE	CHESTER	DELAWARE
95.10%	4.90%	2004-05	\$6,495,659,900
95.10%	4.90%	2005-06	\$334,897,800
95.10%	4.90%	2006-07	

**ENDING FUND BALANCE**

o ASSUME ENDING FUND BALANCE IS:	2.5% OF BUDGET FOR	2004-05
	2.5% OF BUDGET FOR	2005-06
	2.5% OF BUDGET FOR	2006-07

o ASSUME TOTAL \$9.8 MILLION RESERVED FROM THE GENERAL FUND FOR TECHNOLOGY PROGRAM OVER THE NEXT 3 YEARS.

**ASSUMPTIONS USED FOR THE 3 YEAR FORECAST DATED DECEMBER 8, 2003**

**EXPENSES**

**100 SALARIES**

**STAFFING CHANGES DUE TO ENROLLMENT:**

BUDGET YEAR	GRADE K	INCR/(DECR)	GRADES 1-5	INCR/(DECR)	GRADES 6-12	INCR/(DECR)	TOTAL*
2003-04	673		4,290		6,480		11,646
2004-05	745	72	4,232	(58)	6,535	55	11,715
2005-06	707	(38)	4,225	(7)	6,545	10	11,680
2006-07	751	44	4,207	(18)	6,525	(20)	11,686

\* INCLUDES ENROLLMENT OF 203 IN SPECIAL EDUCATION

o ASSUME AVERAGE PUPIL-TO-TEACHER RATIO OF 24.43-TO-1 ELEMENTARY AND 17.5-TO-1 SECONDARY.

**ADDITIONAL TEACHERS NEEDED TO SUPPORT CHANGE IN ENROLLMENTS**

2004-05	2.24
2005-06	-0.49
2006-07	-0.98

YEAR	AVERAGE NEW HIRE TEACHER SALARY	PERCENT INCR.	ADDITIONAL STAFF	SALARY EXPENSE
2003-04	\$47,193			
2004-05	\$49,010	3.85%	2.24	\$109,896
2005-06	\$50,897	3.85%	-0.49	(\$25,084)
2006-07	\$52,805	3.75%	-0.98	(\$51,703)

o ASSUME AVERAGE NEW HIRE TEACHER SALARY, USING 20003-04 AS BASE.  
o ASSUME % INCREASE FOR NEW HIRE TEACHER SALARY IN ACCORDANCE WITH CONTRACT FOR ALL FORECAST YEARS.  
o ASSUME ADDITIONAL TEACHING STAFF HIRED AT NEW HIRE AVERAGE TEACHER SALARY.  
o ASSUME TEACHER INCREASE IN ACCORDANCE WITH THE CONTRACT FOR ALL FORECAST YEARS.

**SALARY EXPENSE DUE TO CURRICULUM AND SUPPORT CHANGES:**

YEAR	AVERAGE NEW HIRE TEACHER SALARY	PERCENT INCR.	NET ADDT'L STAFF	SALARY EXPENSE
2003-04	\$47,193			
2004-05	\$49,010	3.85%	3.00	\$147,030
2005-06	\$50,897	3.85%	3.00	\$152,690
2006-07	\$52,805	3.75%	3.00	\$158,416

o ASSUMES 04-05 ADDITIONS OF 1 ESL AND 2 ELEMENTARY FOREIGN LANGUAGE  
o ASSUMES 05-06 ADDITIONS OF 1 ESL AND 2 ELEMENTARY FOREIGN LANGUAGE  
o ASSUMES 06-07 ADDITIONS OF 1 ESL AND 2 ELEMENTARY FOREIGN LANGUAGE  
o OTHER ASSUMPTIONS INCLUDE ONLY THE ADDITIONAL STAFF ASSOCIATED WITH PROPOSALS ALREADY BOARD APPROVED  
o ASSUMES ESL ADDITIONS OF 1 EACH YEAR DUE TO INCREASED POPULATION

**ASSUMPTIONS USED FOR THE 3 YEAR FORECAST DATED DECEMBER 8, 2003**

**SALARY EXPENSE DUE TO 3RD HIGH SCHOOL:**

YEAR	POSITION	# OF EMPLOYEES	SALARY EXPENSE	
2005-06	CUSTODIAL/MAINT STAFF	2	\$ 83,384	
		2	\$ 83,384	
2006-07	ADMINISTRATIVE STAFF	2	\$ 199,360	
2006-07	INSTRUCT STAFF	6	\$ 282,499	
2006-07	SUPPLEMENTAL CONTRACTS		\$ 344,000	
2006-07	INSTRUCTIONAL SUPPORT STAFF	8	\$ 337,943	
2006-07	SUPPORT SERVICES STAFF	10	\$ 210,145	
2006-07	CUSTODIAL/MAINT STAFF	15	\$ 577,344	
		41	\$ 1,951,291	\$ 2,034,675

**SALARY EXPENSE:**

ANNUAL SALARY INCREASE ASSUMPTIONS			
YEAR	TEACHERS		OTHER STAFF
2004-05	3.85%		4.00%
2005-06	3.85%		4.00%
2006-07	3.75%		4.00%

YEAR	TOTAL SALARY EXPENSE			TOTAL SALARY EXP	% INCREASE
	TEACHER SALARIES	TOTAL STAFFING ADDTNS	OTHER STAFF SALARIES		
2003-04	\$54,452,800		\$15,497,501	69,950,301	
2004-05	\$56,549,233	256,926	\$16,117,401	72,923,560	4.3%
2005-06	\$58,993,196	210,991	\$16,762,097	75,966,284	4.2%
2006-07	\$61,424,343	2,058,004	\$17,432,581	80,914,929	6.5%

- o TEACHER CONTRACT INCREASES OF 3.85% FOR 2004-05, 3.85% FOR 2005-06 AND 3.75% FOR 2006-07
- o ASSUME AVERAGE 4.0% ANNUAL INCREASE FOR OTHER DISTRICT EMPLOYEES DURING 2004-07.



## ASSUMPTIONS USED FOR THE 3 YEAR FORECAST DATED DECEMBER 8, 2003

### 200 BENEFITS

YEAR	SALARY	BENEFITS	BENEFITS % OF SALARY	BENE % INCR/YR
1999-00	\$58,763,907	\$14,793,356	25.2%	
2000-01	\$61,540,919	\$14,584,491	23.7%	-1.4%
2001-02	\$65,560,953	\$16,109,168	24.6%	10.5%
2002-03	\$66,763,326	\$17,396,077	26.1%	8.0%
2003-04 Budget	\$69,511,452	\$19,440,555	28.0%	11.8%

AVERAGE	7.2%
Medical	10%
Prescription	20%
Vision /Dental	5%

### BENEFITS EXPENSE FORECAST (\$000)

	2002-03	2003-04	2003-04	FORECAST							
	ACTUAL	BUDGET	PROJECTION	2004-05	% INCR.	2005-06	% INCR.	2006-07	% INCR.	2006-07	% INCR.
MEDICAL	\$6,182	\$5,820	\$6,358	\$6,950	9.3%	\$7,645	10.0%	\$8,409	10.0%		
DENTAL	\$976	\$961	\$1,042	\$1,124	7.8%	\$1,180	5.0%	\$1,239	5.0%		
VISION	\$143	\$173	\$169	\$182	7.5%	\$191	5.0%	\$200	5.0%		
PRESCRIPTION	\$2,503	\$2,406	\$2,582	\$3,153	22.1%	\$3,783	20.0%	\$4,540	20.0%		
LIFE INS	\$264	\$333	\$333	\$347	4.3%	\$362	4.2%	\$385	6.5%		
DISABILITY	\$132	\$135	\$135	\$141	4.3%	\$147	4.2%	\$156	6.5%		
SOCIAL SECURITY	\$5,205	\$5,253	\$5,253	\$5,476	4.3%	\$5,705	4.2%	\$6,076	6.5%		
RETIREMENT	\$788	\$2,600	\$2,600	\$2,749	5.7%	\$2,864	4.2%	\$3,050	6.5%		
TUITION	\$608	\$558	\$558	\$582	4.3%	\$606	4.2%	\$645	6.5%		
UNEMPLOYMENT	\$23	\$15	\$15	\$16	4.3%	\$16	4.2%	\$17	6.5%		
WORKERS' COMP	\$398	\$500	\$500	\$521	4.3%	\$543	4.2%	\$578	6.5%		
ADDITIONAL TEACHERS			\$0	\$496	0.0%	\$620	25.1%	\$753	21.4%		
OTHER	\$175	\$232	\$232	\$242	4.3%	\$252	4.2%	\$268	6.5%		
SUBTOTAL	\$17,397	\$18,986	\$19,777	\$21,977	15.8%	\$23,913	8.8%	\$26,319	10.1%		
ADDITIONAL STAFF		\$454	\$454	\$72		\$69		\$34			
ADDT'L STAFF - 3RD SCHOOL								\$697			
SUBTOTAL	\$17,397	\$19,440	\$20,231	\$22,050		\$23,982		\$27,050			
HEALTHCARE SAVINGS											
TOTAL	\$17,397	\$19,440	\$20,231	\$22,050	13.4%	\$23,982	8.8%	\$27,050	12.8%		

- o ASSUME 10.0% INCREASE FOR MEDICAL, 20% INCREASE FOR PRESCRIPTION AND A 5% INCREASE FOR BOTH DENTAL AND VISION FOR ALL FORECAST YEARS.
  - o ASSUME BENEFITS SAVINGS PER 2003-04 TEACHER CONTRACT)
  - o ASSUME INCREASES IN SALARY RELATED BENEFITS PROPORTIONAL TO SALARY INCREASES.
  - o ASSUME \$12,000 (2003-04 COST) AND ANNUAL INFLATION IN BENEFITS AS FOLLOWS 04-05 (15%), 05-06 (11.5%) AND 06-07 (10.5%)
  - o ASSUME EMPLOYEE BENEFIT PROGRAM IN ACCORDANCE WITH APPROVED CONTRACTS
  - o ASSUMES PSERS RATES REMAINS CONSTANT WITH THE 2003-04 RATE OF 3.77%.
- PLEASE NOTE: PASBO ADVISEMENT OF PSERS INCREASE AS FOLLOWS: 16.31% (04-05), 21.98% (05-06) AND 25.12% (06-07)
- o **HEALTHCARE SAVINGS** - ASSUME FUTURE SAVINGS ON TEACHER HEALTHCARE PLANS AS A RESULT OF INCREASED COST SHARING OF PREMIUMS, INCREASED COPAYS AND INCREASED DEDUCTIBLES. AMOUNT TO BE DETERMINED.

## **ASSUMPTIONS USED FOR THE 3 YEAR FORECAST DATED DECEMBER 8, 2003**

### **300 PROFESSIONAL AND TECHNICAL SERVICES**

- o ASSUME 5% INFLATION FOR ALL YEARS FOR SPECIAL EDUCATION
- o ASSUME 3.0% ANNUAL INFLATION INCREASE FOR OTHER SERVICES
- o ASSUME CONTRACTED SERVICES FOR SPECIAL EDUCATION, CURRICULUM WORKSHOPS, TAX COLLECTION, AUDIT, LEGAL, MAINTENANCE INSPECTIONS/CONTRACTORS AND ATHLETIC OFFICIALS REMAIN AT 2003-04 ACTIVITY LEVELS.

SERVICE	2002-03	2003-04	2003-04	FORECAST		
	ACTUAL	BUDGET	PROJECTION	2004-05	2005-06	2006-07
OTHER PROFESSIONAL & TECHNICAL	\$2,585,126	\$2,422,588	\$2,422,588	\$2,495,266	\$2,570,124	\$2,647,227
SPECIAL EDUC AT C.C.I.U. & OTHER INST	\$3,615,820	\$2,588,665	\$2,588,665	\$2,718,098	\$2,854,003	\$2,996,703
EARLY INTERVENTION AT C.C.I.U.	\$105,744	\$236,500	\$236,500	\$243,595	\$250,903	\$258,430
ALT. EDUC AT C.C.I.U. & OTHER (REG ED.)	\$593,680	\$648,000	\$648,000	\$667,440	\$687,463	\$708,087
TOTAL	\$6,900,370	\$5,895,753	\$5,895,753	\$6,124,399	\$6,362,493	\$6,610,448

### **400 PURCHASED PROPERTY SERVICES**

- o ASSUME 3.0% INFLATIONARY INCREASE FOR ALL YEARS.
- o ASSUME COPY MACHINE LEASES, ELECTRICITY USAGE, CUSTODIAL/MAINTENANCE SERVICES, AND COMPUTER SOFTWARE/HARDWARE MAINTENANCE REMAIN AT 2003-04 ACTIVITY LEVELS.
- o ASSUME 06-07 UTILITY INCREASE DUE TO 3RD HIGH SCHOOL AS FOLLOWS
 

ELECTRIC	\$369,200
WATER/SEWER	\$29,528

SERVICE	2002-03	2003-04	2003-04	FORECAST		
	ACTUAL	BUDGET	PROJECTION	2004-05	2005-06	2006-07
ELECTRICITY	\$1,698,700	\$1,926,119	\$1,926,119	\$1,983,903	\$2,043,420	\$2,473,922
PUBLIC WATER/SEWER	\$229,478	\$252,660	\$252,660	\$260,240	\$268,047	\$305,616
REPAIRS/MAINTENANCE	\$694,072	\$848,478	\$848,478	\$873,932	\$900,150	\$927,155
RENTALS/LEASES	\$506,429	\$562,289	\$562,289	\$579,158	\$596,532	\$614,428
TOTAL	\$3,128,680	\$3,589,546	\$3,589,546	\$3,697,232	\$3,808,149	\$4,321,122

### **500 OTHER PURCHASED SERVICES**

SERVICE	2002-03	2003-04	2003-04	FORECAST		
	ACTUAL	BUDGET	PROJECTION	2004-05	2005-06	2006-07
TRANSPORTATION*	\$9,026,020	\$9,671,343	\$9,568,822	\$9,945,131	\$10,304,206	\$10,688,543
CHARTER SCHOOL	\$3,288,802	\$3,347,075	\$3,347,075	\$3,712,500	\$4,675,000	\$5,687,500
TUITION LEAs/PRRI & APS/ OTHER	\$1,174,120	\$1,195,853	\$1,195,853	\$1,231,729	\$1,268,680	\$1,306,741
TUITION FOR CAT	\$546,461	\$809,389	\$809,389	\$857,952	\$909,429	\$963,995
INSURANCE	\$324,674	\$387,048	\$387,048	\$406,400	\$414,528	\$422,819
I.U. CORE & MARKET BASKET	\$138,734	\$145,000	\$145,000	\$149,350	\$153,831	\$158,445
PRINTING	\$208,825	\$282,930	\$282,930	\$291,418	\$300,160	\$309,165
TELEPHONE & POSTAGE	\$317,907	\$327,130	\$327,130	\$336,944	\$347,052	\$357,464
OTHER	\$414,033	\$475,285	\$475,285	\$489,544	\$504,230	\$519,357
TOTAL	\$15,439,576	\$16,641,053	\$16,538,532	\$17,420,968	\$18,877,117	\$20,414,030

- o ASSUME STATE FUNDING REMAINS UNCHANGED FOR APPR PRIV SCHOOLS. USE 3% TUITION INCR FACTOR.
- o ASSUME ENROLLMENT AT CENTER FOR ARTS AND TECHNOLOGY WILL REMAIN UNCHANGED WITH 6% INFLATIONARY INCREASE.
- o ASSUME INSURANCE EXPENSE INCREASES 5% PER YEAR.
- o ASSUME 3% INFLATION EACH YEAR FOR I.U. SERVICES PAYMENTS, TELEPHONE, POSTAGE, PRINTING & OTHER CATEGORY.
- o PROJECTIONS FOR TELEPHONE EXPENSES INCLUDE E-RATE DISCOUNT.
- o CHARTER SCHOOL STUDENTS PROJECTED TOTAL BY YEAR: 04-05 (450), 05-06 (550), 06-07 (650)

**ASSUMPTIONS USED FOR THE 3 YEAR FORECAST DATED DECEMBER 8, 2003**

**CHARTER SCHOOL ENROLLMENT HISTORY**

COLLEGIUM					
GRADE	1999-2000	2000-2001	2001-2002	2002-2003	2004-2005
K	9	51	54	57	66
1	5	35	48	47	70
2	7	28	41	45	53
3	6	34	38	40	47
4	6	17	38	42	38
5	6	15	20	20	19
6	6	15	18	20	16
7	-	10	11	7	9
8	-	-	10	8	8
9	-	-	-	7	6
10	-	-	-	-	6
	45	205	278	293	338

RENAISSANCE					
GRADE	1999-2000	2000-2001	2001-2002	2002-2003	2004-2005
K	-	-	-	1	1
1	-	-	1	-	1
2	-	2	-	2	-
3	-	1	2	-	1
4	-	-	1	3	-
5	-	1	1	1	2
6	-	2	-	1	1
7	-	-	1	-	1
8	-	-	1	-	-
	-	6	7	8	7

CHESTER COUNTY FAMILY ACADEMY					
GRADE	1999-2000	2000-2001	2001-2002	2002-2003	2004-2005
K	18	19	22	19	28
1	12	14	13	17	10
2	9	7	11	8	10
3	-	-	-	-	-
4	-	-	-	-	-
5	-	-	-	-	-
6	-	-	-	-	-
7	-	-	-	-	-
8	-	-	-	-	-
	39	40	46	44	48

CYBER SCHOOLS					
GRADE	1999-2000	2000-2001	2001-2002	2002-2003	2004-2005
K	-	-	2	1	4
1	-	-	2	2	-
2	-	-	1	2	1
3	-	-	-	1	2
4	-	-	1	4	4
5	-	-	8	1	1
6	-	-	1	1	2
7	-	-	2	1	4
8	-	-	-	1	2
9	-	-	4	5	4
10	-	-	1	5	2
11	-	-	2	5	2
12	-	-	-	-	3
	-	-	24	29	31

**ASSUMPTIONS USED FOR THE 3 YEAR FORECAST DATED DECEMBER 8, 2003**

**\* TRANSPORTATION**

**INCREASE IN STUDENT ENROLLMENT**

BUDGET YEAR	ENROLLMENT	% INCREASE
2002-03	11,590	
2003-04	11,646	0.5%
2004-05	11,715	0.6%
2005-06	11,680	-0.3%
2006-07	11,686	0.1%

**CALCULATION OF TRANSPORTATION EXPENSES:**

YEAR END-ING	PUBLIC SCHOOL (INCL. SPEC ED)			NONPUBLIC SCHOOLS			SPECIAL ED TO I.U.	TOTAL
	STUDENTS TRANSPORTED	COST/STUDENT	TOTAL	STUDENTS TRANSPORTED	COST/STUDENT	TOTAL		
6/03	11,590	\$258	\$2,986,551	4,851	\$841	\$4,081,612	\$1,957,857	\$9,026,020
6/04	11,646	\$283	\$3,293,454	4,908	\$839	\$4,118,577	\$2,156,791	\$9,568,822
6/05	11,715	\$291	\$3,412,356	4,988	\$864	\$4,311,281	\$2,221,495	\$9,945,131
6/06	11,680	\$300	\$3,504,226	5,068	\$890	\$4,511,840	\$2,288,140	\$10,304,206
6/07	11,686	\$309	\$3,611,207	5,148	\$917	\$4,720,553	\$2,356,784	\$10,688,543

- o ASSUME GROWTH IN NUMBER OF PUBLIC STUDENTS TRANSPORTED IS SAME AS GROWTH IN PROJECTED ENROLLMENT
- o ASSUME GROWTH IN NUMBER OF NON-PUBLIC STUDENTS TRANSPORTED IS 80 STUDENTS PER YEAR
- o ASSUME 3% INFLATION IN COST/STUDENT /YEAR BASED ON A MINIMUM INCREASE IN KRAPP CONTRACT.
- o ASSUME LEVEL OF SERVICE FOR PUBLIC AND NONPUBLIC SCHOOLS REMAINS THE SAME AS 2003-04.
- o ASSUME TRANSPORTATION COSTS INCREASE 3% ANNUALLY FOR I.U. SPECIAL EDUCATION.

**600 SUPPLIES AND TEXTBOOKS**

- o ASSUME 4.0% INCREASE/YEAR FOR PER PUPIL ALLOCATION INCLUDING ENROLLMENT GROWTH.
- o ASSUME INFLATION FOR GAS AND OIL IS 5% PER YEAR.
- FORECAST YEARS 04-05, 05-06 AND 06-07 REMAIN AT THE 03-04 LEVELS
- o ASSUMES 06-07 ADDITION OF GROUNDS & MAINT. SUPPLY COSTS OF 3RD HIGH SCHOOL AS FOLLOWS:

GAS/OIL	\$	91,737.00
FUEL/OIL	\$	2,100.00
GASOLINE	\$	2,900.00
	\$	<u>96,737.00</u>
HVAC SUPPLIES	\$	4,210.00
SERV CONTRACTS	\$	23,000.00
MISC HRDWRE	\$	7,800.00
COMM COSTS	\$	1,200.00
FERT/SEED	\$	31,312.50
SALT	\$	4,100.00
PAINT/MISC	\$	6,300.00
GROUNDS SUPPL	\$	1,100.00
	\$	<u>79,022.50</u>

**ASSUMPTIONS USED FOR THE 3 YEAR FORECAST DATED DECEMBER 8, 2003**

o ASSUMES 05-06 ADDITION OF CUSTODIAL SUPPLY COSTS OF 3RD HIGH SCHOOL AS FOLLOWS:

SUPPLIES	\$	55,000.00
MISC EQUIP	\$	15,000.00
SERV CONTRACT	\$	10,000.00
	\$	<u>80,000.00</u>

o ASSUMES 05-06 ADDITION OF CURRICULUM SUPPLY COSTS OF 3RD HIGH SCHOOL AS FOLLOWS:

START UP	\$	1,500,000.00
PPA INCREASE	\$	50,000.00
ACTIVITY INC	\$	50,000.00
	\$	<u>1,600,000.00</u>

	2002-03 ACTUAL	2003-04 BUDGET	2003-04 PROJECTION	FORECAST		
				2004-05	2005-06	2006-07
SUPPLIES & TEXTBOOKS						
OPERATION & MAINT./CUSTODIAN SUPPLIES	\$548,294	\$571,350	\$571,350	\$588,491	\$606,145	\$783,352
HEAT/FUEL	\$520,113	\$753,534	\$753,534	\$791,211	\$830,771	\$969,047
CLASSROOM AND OTHER SUPPLIES	\$1,195,220	\$2,209,997	\$2,209,997	\$2,298,397	\$2,390,333	\$4,085,946
BOOKS/PERIODICALS	\$626,066	\$935,305	\$935,305	\$972,717	\$1,011,626	\$1,052,091
TOTAL	\$2,889,692	\$4,470,186	\$4,470,186	\$4,650,815	\$4,838,875	\$6,890,436

**700 PROPERTY**

o ASSUME FACILITIES ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS GENERAL FUND SPENDING REMAINS AT 2002-03 LEVEL WITH 3.0% INFLATION FOR ALL YEARS.

o ASSUMES 05-06 ADDITION OF MAINTENANCE START UP COSTS OF 3RD HIGH SCHOOL AS FOLLOWS:

VEHICLE	\$	32,000.00
COMMUNICAT EQ	\$	300.00
SNOW PLOW	\$	38,500.00
MOWER	\$	10,500.00
MISC EQUIP	\$	6,075.00
	\$	<u>87,375.00</u>

o ASSUMES 05-06 ADDITION OF CUSTODIAL START UP COSTS OF 3RD HIGH SCHOOL AS FOLLOWS:

VACUUMS	\$	14,650.00
SCRUBBERS	\$	46,500.00
BURNISHERS	\$	17,000.00
MISC TOOLS	\$	1,000.00
	\$	<u>79,150.00</u>

**ASSUMPTIONS USED FOR THE 3 YEAR FORECAST DATED DECEMBER 8, 2003**

**800 OTHER OBJECTS AND OTHER FINANCING USES**

900

800

**DUES AND FEES & PRIOR YEAR REFUNDS**

o ASSUME 3% INCREASE FOR ALL YEARS:

2003-04	\$239,610
2004-05	\$246,798
2005-06	\$254,202
2006-07	\$261,828

900

**CAPITAL PROJECT FUND TRANSFER**

o CONSISTENT WITH 2002-03 BUDGET. DO NOT ALLOCATE 1 MILL TO CAPITAL RESERVE

2003-04 PROJECTION	\$0
2004-05	\$0
2005-06	\$0
2006-07	\$0

**DEBT SERVICE**

**EXISTING DEBT SERVICE**

	2003-04		2004-05		2005-06		2006-07	
	800 INTEREST	900 PRINCIPAL	800 INTEREST	900 PRINCIPAL	800 INTEREST	900 PRINCIPAL	800 INTEREST	900 PRINCIPAL
11/00 \$12,196,000 DVRA	\$414,925	\$682,000	\$390,443	\$717,000	\$364,700	\$754,000	\$337,628	\$793,000
1/99 \$8,365,000 GOB	\$340,634	\$455,000	\$323,543	\$475,000	\$305,445	\$490,000	\$286,063	\$510,000
12/98 \$14,965,000 GOB	\$650,965	\$730,000	\$622,275	\$760,000	\$591,655	\$790,000	\$559,045	\$820,000
5/01 \$10,031,000 GOB	\$445,758	\$380,000	\$432,191	\$395,000	\$417,595	\$410,000	\$401,935	\$425,000
3/01 \$9,670,000 GOB	\$442,310	\$340,000	\$429,390	\$355,000	\$415,545	\$365,000	\$400,945	\$380,000
4/02 \$30,000,000 GOB	\$1,420,031	\$420,000	\$1,407,431	\$945,000	\$1,379,081	\$975,000	\$1,349,831	\$1,000,000
9/02A \$9,345,000 GOB	\$143,428	\$2,985,000	\$94,435	\$3,130,000	\$33,915	\$3,230,000	\$0	\$0
10/02AA \$16,265,000 GOB	\$636,108	\$5,000	\$636,003	\$195,000	\$631,323	\$375,000	\$621,385	\$3,645,000
6/03 A \$21,995,000 GOB	\$613,013	\$340,000	\$624,034	\$1,425,000	\$595,284	\$1,450,000	\$565,934	\$1,485,000
4/03 \$30,000,000 GOB	\$1,143,874	\$0	\$1,197,078	\$5,000	\$1,196,915	\$5,000	\$1,196,753	\$5,000
2/96 \$ 11,290,000 GOB	\$565,591	\$755,000	\$531,593	\$790,000	\$495,246	\$825,000	\$456,366	\$865,000
6/02 \$15,250,000 - DAUP	\$489,271							
<b>TOTAL</b>	<b>\$7,305,908</b>	<b>\$7,092,000</b>	<b>\$6,688,416</b>	<b>\$9,192,000</b>	<b>\$6,426,704</b>	<b>\$9,669,000</b>	<b>\$6,175,885</b>	<b>\$9,928,000</b>

**NEW DEBT SERVICE (FROM THE JULY 2003 FINANCING PLAN)**

FINANCING AMOUNT & YEAR	DEBT SERVICE IMPACT							
	2003-04		2004-05		2005-06		2006-07	
7/03 EMAUS \$35,000,000	\$610,118	\$0	\$1,347,500	\$0	\$1,345,575	\$100,000	\$1,341,725	\$100,000
7/03 \$35,000,000	\$859,058	\$0	\$1,718,115	\$5,000	\$1,717,977	\$5,000	\$1,717,840	\$5,000
6/04 \$35,250,000	\$0	\$0	\$0	\$0	\$1,780,620	\$5,000	\$1,780,520	\$5,000
2/06 \$35,305,000	\$0	\$0	\$0	\$0	\$1,293,483	\$5,000	\$1,887,408	\$5,000
<b>TOTAL</b>	<b>\$1,469,176</b>	<b>\$0</b>	<b>\$3,065,615</b>	<b>\$5,000</b>	<b>\$6,137,655</b>	<b>\$115,000</b>	<b>\$6,727,493</b>	<b>\$115,000</b>

**TOTAL DEBT SERVICE**

YEAR	800 INTEREST	900 PRINCIPAL	TOTAL DEBT SERVICE	INCREASE IN DEBT SERVICE
2003-04	\$8,775,084	\$7,092,000	\$15,867,084	
2004-05	\$9,754,031	\$9,197,000	\$18,951,031	\$3,083,947
2005-06	\$12,564,359	\$9,784,000	\$22,348,359	\$3,397,328
2006-07	\$12,903,377	\$10,043,000	\$22,946,377	\$598,019

**ASSUMPTIONS USED FOR THE 3 YEAR FORECAST DATED DECEMBER 8, 2003**

**TOTAL OTHER OBJECTS AND OTHER FINANCING USES**

<u>TOTAL</u>	<u>TOTAL 800</u>	<u>TOTAL 900</u>	<u>INCREASE</u>
2003-04	\$9,014,694	\$7,092,000	
2004-05	\$10,000,829	\$9,197,000	\$3,091,136
2005-06	\$12,818,561	\$9,784,000	\$3,404,732
2006-07	\$13,165,205	\$10,043,000	\$605,645

**ASSUMPTIONS USED FOR THE 3 YEAR FORECAST DATED DECEMBER 8, 2003**

**REVENUES**

PENNSYLVANIA LEGISLATIVE REVIEW OF TAX REFORM COULD RESULT IN CHANGES TO THE TAXATION FOR FUNDING PUBLIC SCHOOL DISTRICTS. THIS COULD IMPACT OUR LOCAL AND STATE REVENUES.

**LOCAL REVENUES**

**INTERIM REAL ESTATE TAXES**

YEAR	AMOUNT (000)
1994-95	\$1,714
1995-96	\$1,378
1996-97	\$1,754
1997-98	\$1,465
1998-99	\$2,848
1999-00	\$4,706
2000-01	\$4,680
2001-02	\$4,214
2002-03	\$3,722
2003-04 BUDGET	\$2,800
2003-04 PROJECTION	\$3,350 90% of 2002-03

AVERAGE \$2,983

o ASSUME INTERIM TAX COLLECTIONS REFLECT FUTURE REAL ESTATE ACTIVITY

**PUBLIC UTILITY**

PURTA TAXES WILL REMAIN CONTANT FOR FORECAST YEARS

**EARNED INCOME TAX**

YEAR	AMOUNT (000)	INCR/(DECR)	% INCR/(DECR) #DIV/0!
1993-94	\$7,168	\$7,168	
1994-95	\$7,191	\$23	0.3%
1995-96	\$7,622	\$431	6.0%
1996-97	\$8,567	\$945	12.4%
1997-98	\$9,282	\$715	8.3%
1998-99	\$10,125	\$843	9.1%
1999-00	\$11,162	\$1,037	10.2%
2000-01	\$12,192	\$1,030	9.2%
2001-02	\$12,713	\$521	4.3%
2002-03	\$12,961	\$248	2.0%
2003-04 BUDGET	\$13,884	\$1,171	9.2%
2003-04 PROJECTION	\$13,220	\$507	4.0%

AVERAGE INCREASE \$1,285 8.0%

o ASSUME 2.0% INCREASE IN EIT COLLECTIONS 04-05.  
o ASSUME 3.0% INCREASE IN EIT COLLECTIONS FOR 05-06 AND 06-07.



**ASSUMPTIONS USED FOR THE 3 YEAR FORECAST DATED DECEMBER 8, 2003**

**REAL ESTATE TRANSFER TAX**

YEAR	AMOUNT (000)	INCR/(DECR)
1993-94	\$1,905	\$1,905
1994-95	\$2,081	\$176
1995-96	\$2,176	\$95
1996-97	\$2,286	\$110
1997-98	\$3,217	\$931
1998-99	\$3,592	\$375
1999-00	\$3,459	(\$133)
2000-01	\$3,577	\$118
2001-02	\$3,705	\$128
2002-03	\$3,926	\$221
2003-04 BUDGET	\$2,500	(\$1,205)
AVERAGE	\$2,948	\$247

o ASSUME TRANSFER TAX COLLECTIONS REFLECT ACTIVITY IN REAL ESTATE MARKET

**DELINQUENT TAXES**

YEAR	COLLECTED AMOUNT (000)	INCR/(DECR)	LIENED TAXES O/S @ 6/30 & PROJECTED
1998-99	\$1,767	\$1,767	
1999-00	\$2,016	\$249	\$401,483 6/30/03ACTUAL
2000-01	\$2,645	\$629	\$428,932 6/30/03ACTUAL
2001-02	\$2,508	(\$137)	\$1,176,768 6/30/03ACTUAL
2002-03	\$2,800	\$292	\$1,500,000 PROJECTION @ JUNE 30TH
2003-04	\$2,800		\$1,500,000 PROJECTION @ JUNE 30TH
2004-05	\$2,200		\$1,500,000 PROJECTION @ JUNE 30TH
2005-06	\$2,200		\$1,500,000 PROJECTION @ JUNE 30TH

o ASSUME DELINQUENT TAX COLLECTIONS BASED ON OUTSTANDING DELINQUENTS @ 6/30/02 AND PROJECTED DELINQUENTS.

**ASSUMPTIONS USED FOR THE 3 YEAR FORECAST DATED DECEMBER 8, 2003**

**TUITION FROM PATRONS**

o USE 5% INCREASE FOR ALL YEARS.

**EARNINGS ON INVESTMENTS AND CAPITAL PROJECT FUND TRANSFERS**

GENERAL FUND INTEREST

YEAR	BUDGET AMOUNT	% INCR	AVERAGE INVESTMENT	INTEREST 1.00%
2003-04	\$137,279,078		\$40,200,000	
2004-05	\$146,953,836	7.0%	\$43,033,100	\$430,331
2005-06	\$157,353,902	7.1%	\$46,078,594	\$460,786
2006-07	\$170,519,769	8.4%	\$49,934,009	\$499,340

TOTAL INTEREST INCOME

YEAR	CAPITAL PROJECTS (FUND TRANSFER)	GENERAL FUND			TOTAL	TOTAL
		TRANS	OTHER GNRL FND	TOTAL		
2003-04	\$0	\$0	\$430,331	\$430,331	\$430,331	
2004-05	\$0	\$0	\$460,786	\$460,786	\$460,786	
2005-06	\$0	\$0	\$499,340	\$499,340	\$499,340	

**STATE SUBSIDIES**

**EQUALIZED SUBSIDY FOR BASIC EDUCATION**

o ASSUME INCREASE IN ESBE SUBSIDY CONSISTENT WITH THE INCREASE IN 2002-03.

YEAR	ADMs	%INCREASE	SUBSIDY
2001-02 ADMS/2002-03	11,499		6,115,234
2002-03 ADMS/2003-04	11,786	2.5%	6,268,115
2003-04 ADMS/2004-05	12,081	2.5%	6,424,818
2004-05 ADMS/2005-06	12,383	2.5%	6,585,438

**ASSUMPTIONS USED FOR THE 3 YEAR FORECAST DATED DECEMBER 8, 2003**

**SPECIAL EDUCATION**

- o ASSUME REIMBURSEMENT AT CURRENT 2002-03 FUNDING SCHEDULE.
- o ASSUME ADMs WILL GROW RELATIVE TO ENROLLMENT GROWTH.
- o ASSUME INCREASE INCLUDES CONTINGENCY AND IDEA FUNDING.

MILDLY HANDICAPPED	\$1,315	X	15.0%	X	ADMs
SEVERELY HANDICAPPED	\$14,535	X	1.0%	X	ADMs

YEAR	ADMs	FUNDING GROWTH	MILDLY	SEVERELY	BASE FUNDING	5% GUARANTEE	TOTAL SPECIAL EDUCATION FUNDING	
2001-02 ADMS/2002-03	11,499		\$2,268,178	\$1,671,380	\$3,939,557	\$565,843	\$4,505,400	
2002-03 ADMS/2003-04	11,786	287	\$2,324,882	\$1,713,164	\$4,038,046	\$692,624	\$4,730,670	105.00%
2003-04 ADMS/2004-05	12,081	295	\$2,383,004	\$1,755,993	\$4,138,997	\$828,206	\$4,967,204	
2004-05 ADMS/2005-06	12,383	302	\$2,442,579	\$1,799,893	\$4,242,472	\$973,091	\$5,215,564	

**TRANSPORTATION SUBSIDY**

- o ASSUME TRANSPORTATION SUBSIDY INCREASES BY 3% PER YEAR

YEAR	ENROLLMENT	% INCR	SUBSIDY
2003-04	11,646		\$5,481,696
2004-05	11,715	3%	\$5,646,147
2005-06	11,680	3%	\$5,815,532
2006-07	11,686	3%	\$5,989,998

**SOCIAL SECURITY SUBSIDY**

- o ASSUME SOCIAL SECURITY SUBSIDY INCREASES RELATIVE TO SALARY EXPENSE.
- o ASSUME CURRENT 50% OF SOCIAL SECURITY EXPENSE FUNDING FORMULA REMAINS UNCHANGED.

YEAR	SALARY EXP	%INCREASE	SOCIAL SEC SUBSIDY
2003-04	\$70,011,452		\$2,640,000
2004-05	\$72,923,560	4.2%	\$2,749,810
2005-06	\$75,966,284	4.2%	\$2,864,545
2006-07	\$80,914,929	6.5%	\$3,051,150

**ASSUMPTIONS USED FOR THE 3 YEAR FORECAST DATED DECEMBER 8, 2003**

**CHARTER SCHOOL SUBSIDY**

o ASSUME CHARTER SCHOOL SUBSIDY EQUALS 02-03 FORMULA OF 30% REIMBURSEMENT OF PRIOR YEAR EXPENDITURES.

<u>YEAR</u>	<u>PRIOR YEAR EXPENSE</u>	<u>SUBSIDY</u>
2003-04	\$3,347,075	
2004-05	\$3,712,500	\$1,004,123
2005-06	\$4,675,000	\$1,113,750
2006-07	\$5,687,500	\$1,402,500

**PSERS (RETIREMENT) SUBSIDY**

o ASSUME RETIREMENT SUBSIDY INCREASES RELATIVE TO SALARY EXPENSE.  
o ASSUME CURRENT 50% OF RETIREMENT EXPENSE FUNDING FORMULA REMAINS UNCHANGED.

<u>YEAR</u>	<u>SALARY EXP</u>	<u>%INCREASE</u>	<u>RETIREMENT SUBSIDY</u>
2003-04	\$70,011,452		\$1,333,545
2004-05	\$72,923,560	3.77%	\$1,374,609
2005-06	\$75,966,284	3.77%	\$1,431,964
2006-07	\$80,914,929	3.77%	\$1,525,246