

WEST CHESTER AREA SCHOOL DISTRICT
2005-06 BUDGET

ASSUMPTIONS for REVENUES

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LOCAL EFFORT

6111 Current Real Estate Taxes - The greatest amount of funds is raised from our taxpayers based on a 14.32 mill (Chester County) and 11.65 mill (Delaware County) levy on the assessed valuation of all taxable property within the School District. The amount budgeted represents 96.4% of the tax to be levied; the difference being our experience as to the amount of discounts granted during the discount period and the amount uncollected which will go to lien.

6112 Interim Real Estate Taxes - Represents the amount of taxes we anticipate collecting on new construction and additions to existing properties, which, because of these completion dates, do not appear on the regular tax duplicate. This year's estimate is based on historical data and the expected new construction in the area as determined by the number of building permits issued by municipalities.

6113 Public Utility Realty Tax - The District's portion of the tax as collected by the Commonwealth based on the assessed valuation of the utility properties in the District. This tax is collected by the utility from the taxpayer as part of the service bill.

6151 Earned Income Tax - The District's portion (one-half percent) of the one percent earned income tax on all residents of the School District, except those residents working in Philadelphia and out-of-state who pay a tax on income where they work. The budget represents a 3.5% projected increase in taxable income.

6153 Real Estate Transfer Tax - Transfer tax is revenue collected by the County Recorder of Deeds on the value of all real estate property within the District boundaries sold during the year. This tax is equal to one-half percent of the value of the property sold and is paid at the time of the transfer. This year's estimate is based on historical data and anticipated trends for the area.

6400 Delinquent Taxes (all levies) - Delinquent tax is revenue collected by the County Tax Claim Bureau. Delinquent taxes are real estate taxes that were not paid during the original year of issue. The estimate includes collection factors on unpaid liens as follows: 2005-06 projected liens (20%), 2004-05 liens (40%), 2003-04 liens (60%), and all remaining prior years' liens (70%).

6500 Earnings on Investments - The estimated interest the District will earn through its cash management program on general fund investments (average investments \$50.0 million earning 2.5% annually).

6940 Tuition from Patrons & Other LEAS - Tuition we will receive from students, their parents/guardians for participation in the District's summer school programs and Outdoor Education Program. Monies received for providing services to pupils of another Local Education Agency. Includes tuition from the resident school district for students placed by the courts, and for institutional children placed in the District's educational programs (formerly 9610).

6990 Miscellaneous Revenue - Represents the amount the District anticipates receiving from miscellaneous sources. The primary source of revenue is rent received from various organizations or groups for the use of the District's buildings and facilities.

0770 Beginning Unreserved Fund Balance - The Fund Balance appropriation represents the equity of prior years' operation that is being committed to the 2005-06 operation. Adequate fund balance levels are recommended to be at least equal to one month's operating expenditures (8.3%). Bond raters, such as Moody's, evaluate the financial stability of the District based on several factors, one of which is adequate fund balance. The projected balance to be carried forward into the 2005-06 year is \$7,456,567.

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STATE SOURCES

6821 Safe Schools – Revenue received from the state to fund the Safe School Initiative which provides for conflict resolution workshops and MMSA Core Team training.

7110 Basic Instructional Subsidy - The instructional subsidy is the largest single source of revenue from the state. According to the Governor's proposed 2005-06 budget for the Commonwealth, there is a minimum guaranteed increase of 1.5% over the 2004-05 amount.

7270 Special Education of Exceptional Pupils – This represents an estimated formula for special education classes calculated as a minimum 1.5% increase over the 2004-05 amount. There is no contingency funding budgeted for 2005-06. Additional contingency funds were received in 2003-04.

7160 Tuition for Private Home Placement - This state reimbursement is for providing education to non-resident orphaned children placed in private homes by court order. It also includes those non-resident inmates of children's institutions whose district of residence cannot be determined.

7170 Instructional Support Team - This is special education Instructional Support Team (IST) funding. 1997-98 was the final year for IST program funding for the District.

7310 Transportation Subsidy - This is a reimbursement to the District for the operation of a school busing program in compliance with state law and regulations. It is not required that each district operate a busing program, but if operated, it must comply with the state law and regulations and is eligible for the transportation subsidy based on factors including the number of public and non-public students, students transported due to hazardous conditions, the approved cost of transportation, and market value of real estate.

7220 Vocational Education Subsidy - Reimbursement for District programs in distributive education, business educations, and home economics based on classes that satisfy the state's criteria for reimbursement and the number of students enrolled in these classes.

7250 Migratory Student Subsidy - Revenue received from the Commonwealth as subsidy for attendance of migratory children in the District.

7320 Rent Subsidy - Reimbursement for building projects on a basis of approved costs times our permanent reimbursement ratio of 27.54 percent. Our budgeted revenue includes rental subsidy for our anticipated debt service payments.

7330-7340 Medical/Dental/Nursing Services - Represents medical & nursing services reimbursement at \$8.60 per ADM, \$2.00 per student receiving dental hygiene services, and \$9.70 per ADM for additional Act 25 funding.

7210 Homebound Instruction - The amount the District anticipates receiving for state reimbursement of homebound instruction costs.

7140 Charter School Subsidy - Revenue received from the Commonwealth to fund charter schools' initiative. The state subsidy received includes revenue for transitional grants, non-public student transfers, and up to a 30% reimbursement for charter school expenditures from the proceeding year.

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7500 PA Accountability Grants – Revenue received from the state to implement research-based programs to boost student achievement. The District will use these funds in 2005-06 to fund a portion of the full-day kindergarten program.

7810 Social Security Subsidy - Effective 1/1/87, the Commonwealth reimbursed the School District for 1/2 of the employer's share of social security. Prior to this date, the state made payments directly to Social Security Administration. Act 29 of 1994 includes provisions to apply the state aid ratio to the social security subsidy, although at this time, the minimum reimbursement is defined as full funding of 1/2 of the employer's share.

7820 Retirement Subsidy - According to Act 29 of 1994, effective 7/1/95, the Commonwealth will reimburse the School District for 1/2 of the employer's share of contributions to Public School Employees' Retirement System (PSERS). Prior to this date, the state made payments directly to PSERS. Act 29 of 1994 includes provisions to apply the state aid ratio to the retirement subsidy, although at this time, the minimum reimbursement is defined as full funding of 1/2 of the employer's share.

FEDERAL SOURCES

6831 IDEA – Federal revenue administered through the Chester County Intermediate Unit to fund the "Individuals with Disabilities Educational Act". Funds are allocated on a per student basis.

6839 OTHER INTERMEDIARY SOURCES – Federal revenue administered through the Chester County Department of Community Development to provide training and summer employment opportunities for disadvantaged youth (SYEP).

7280 Adult Literacy – Revenue received from the Commonwealth to provide for the adult education program.

8514 TITLE I – Federal revenue received through the Commonwealth for the education of disadvantaged children.

8515 TITLE IIA & TITLE IID – Federal revenue received through the Commonwealth for improving teacher quality through staff development and technology.

8516 TITLE III – Federal revenue received through the Commonwealth to supplement resources and provide translation services for LEP students and for staff development.

8517 TITLE IV-21st Century Schools – Federal revenue received through the Commonwealth for the Safe and Drug Free Schools Program.

8518 TITLE V – Federal revenue received through the Commonwealth for the education of children under NCLB, Title V.

8620 ADULT BASIC EDUCATION – Federal revenue received through the Commonwealth for the GED/ESL Adult Basic Education Program.

8810 Medical ACCESS-Direct Services – Federal reimbursements received through the Commonwealth for eligible related health services provided to special education students as part of their Individual Education Plan (IEP). Also includes occupational therapy, physical therapy and psychological counseling.

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8820 Medical ACCESS-Time Study - Federal reimbursements received through the Commonwealth for administrative costs incurred in providing health-related services to medical assistance enrolled students.

OTHER FINANCING SOURCES

9500 Refunds of Prior Years - Refunds are receipts of cash returning all or part of a prior period expenditure, now **6990**. Examples in this category include refunds from our medical insurance carrier and the CCIU.

9610 Receipts from other LEAS - Monies received for providing services to pupils of another Local Education Agency. Includes tuition received from the resident school district for students placed by the courts and for institutional children placed in the District's educational programs. These receipts are now being recorded in **6944**.