

# FOR IMMEDIATE RELEASE

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## WEST YORK AREA SCHOOL DISTRICT APPROVES 2013-2014 OPERATING BUDGET (2.89% DECREASE)

On May 21, 2013, the West York Area School District (WYASD) Board of Directors approved its 2013-2014 budget in the amount of \$49,340,146. Despite this year's budget decrease of 2.89% from last year, the District anticipates using approximately \$3 million dollars of financial reserves (i.e., fund balance) to close the gap between next year's expenditures and revenues. West York, like other public school districts throughout the state, is working hard to resolve the seemingly insurmountable number of financial issues working against balancing its budget. These issues include, but are not limited to, the following:

- Decrease in assessed valuation of properties of almost \$7 million over the past three years
- 90% decrease in interest income since 2007
- State mandated increase in the District's retirement (PSERS) contribution (up \$573,856)
- Increase in special education costs (up \$1.4 million) while state funding for special education has remained flat
- Low Act 1 Index: The index set by the state limits the amount of tax revenue the District can generate without the public approving a referendum. West York's index decreased steadily to a low of 1.8% for the 2011-2012 school year. It is 2.2% for the 2013-2014 school year. Lower indices do not allow the District to keep up with rising costs, including health care, PSERS contributions, labor expenses, and utilities.

The District's general fund balance is decreasing at a rate of approximately \$3 million per year with a current balance of \$9,293,073. At this rate, the District will deplete its financial reserves (i.e., fund balance) no later than the 2015-2016 school year. In an effort to postpone the depletion of its reserves for as long as possible, the District plans to prepare a balanced budget for the 2014-2015 school year. This means deeper cuts to departmental budgets, teacher furloughs, and reductions in other staff.