



THE GROVE

News from the Avon Grove School District

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Avon Grove Board of School Directors to Consider 2009-2010 Final Budget June 11

The Avon Grove School District Board of School Directors is scheduled to vote on adoption of the 2009-2010 general fund budget in the amount of \$71,462,753 on June 11, 2009. The Board meeting starts at 7:30 p.m. in the Avon Grove Intermediate School Audion.

The proposed final budget for next year calls for no increase in real estate taxes and maintaining the current tax rate of 23.82 mills. All existing student programs will be maintained.

As part of the budget process, Superintendent Dr. Augustus J. Massaro presented details of the proposed final budget at the April 23 Board meeting. The Board of School Directors approved the proposed final 2009-2010 general fund budget at the May 14 Board meeting.

Dr. Massaro and district administrators also met with school personnel to review the budget and answer questions. The budget presentation and a copy of the proposed final



Total budgeted expenditures for 2009-2010 = \$71,462,753

- Value of one mill of tax = \$1,714,823
- Current millage rate = 23.82 mills
- No tax increase to balance budget

budget are available at www.avongrove.org and at the District Administration Office.

If the Board approves the budget as proposed in June, it will mark the sixth consecutive year with no property tax increase in the Avon Grove School District.

Commonwealth to Release Property Tax Relief Funds Qualified Property Owners to Receive Reduction on School Tax Bill

The Commonwealth of Pennsylvania informed the Avon Grove School District on May 1, 2009, that a total of about \$613 million will be available statewide for property tax relief in 2009-2010. The funds were collected from gaming revenues as called for by Special Session Act 1 of 2006.

Avon Grove School District is scheduled to receive a property tax reduction allocation of \$2,673,477 from the Commonwealth's Property Tax Relief Fund, which will be passed through to approved homestead/farmstead property owners as a direct reduction on their 2009-2010 school real estate tax bills.

Each of the 7,623 approved homestead/farmstead property owners in Avon Grove will receive the same reduction of about \$353 on their 2009-2010 school real estate taxes, which represents an 8.81 percent reduction for property owners with the median assessed value of \$168,250.

Only those property owners who applied for and were approved for the homestead/farmstead exclusion are eligible. If you do not qualify and have not completed an application previously, you should complete a homestead/farmstead exclusion application and submit it to the Chester County Assessment-Homestead Office by March 1, 2010, to be considered for any school property tax relief from the Commonwealth in the 2010-2011 fiscal year.

Significant Changes in Revenues & Expenditures

Due to the current state of the economy and its impact on the residential housing market, the Avon Grove School District has experienced a significant decline in revenues from current and interim real estate taxes, as well as realty transfer taxes.

In total, revenues from real estate taxes and other local revenues have declined by \$506,564 or 1.2 percent.

Revenues from the Commonwealth of Pennsylvania have increased substantially over the last several years.

Although much of the new revenue from the Commonwealth is earmarked for specific purposes and programs, the additional revenue provides most of the funds needed to make up for increased costs.

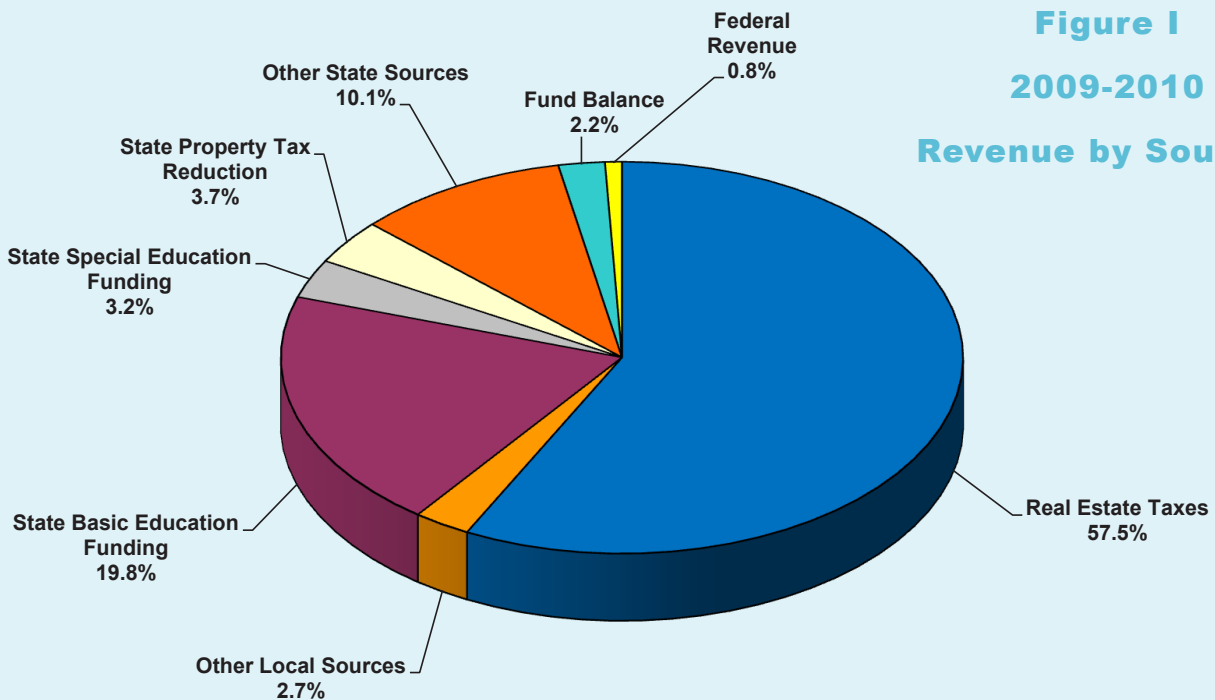
The District will also use about \$1.5 million of the fund balance to balance the 2009-2010 budget. The fund balance is the accumulated surplus from prior years when revenues exceeded expenditures. These funds were set aside and reserved for future use.

In total, budgeted expenditures have increased by \$2,454,905 or 3.6 percent over expenditures for 2008-2009. The majority of the increase is for instructional programs, including salaries, with the balance of the budget remaining relatively the same.

Analysis of Projected Revenues for 2009-2010

- 1 The primary source of local revenue is real estate taxes, including interim, delinquent and transfer taxes. As illustrated in Figure I below, real estate taxes account for 57.5 percent of the total revenue to be received by the District in 2009-2010.
- 2 The Commonwealth will provide a total of 36.8 percent of the District's revenues for 2009-2010. The Governor and Legislature continue to consider major revisions to the role the Commonwealth plays in the funding of local schools. The 2009-2010 budget was prepared assuming that state funding will be provided as set forth in the Governor's proposed 2009-2010 Commonwealth budget. As of mid-May, the Legislature had not yet determined the actual level of state funding for 2009-2010.
- 3 Other local sources (2.7 percent) and the federal government (0.8 percent) provide the balance of 2009-2010 revenues.
- 4 Use of the accumulated fund balance provides 2.2 percent of the funds required to balance the 2009-2010 budget.

Figure I
2009-2010
Revenue by Sources



Three Revenue Sources:

- *locally generated funds,*
- *state-provided funds,*
- *federal programs.*

Local Revenue:	
• Real Estate Taxes	\$41,061,995
• Other Local Revenue	\$1,977,230
State Revenue:	
• Basic Education Funding	\$14,130,242
• Special Education Funding	\$2,285,079
• Other State Revenue	\$7,197,035
• Property Tax Reduction Allocation	\$2,673,477
Federal Revenue	\$586,253
Fund Balance	\$1,551,442
Total	\$71,462,753

Analysis of Projected Expenditures for 2009-2010

The overall costs to operate a school district do not allow for significant amounts of discretionary spending.

1 As noted in Figure II below, salaries and benefits combined account for 59.3 percent of the budget.

2 Other purchased services (i.e., transportation, tuition to other schools, etc.) represent 15.7 percent of the budget.

3 Principal and interest payments on existing debt make up 9.6 percent of the 2009-2010 budget.

Personnel Services - Salaries (Salaries and wages)	\$31,090,797
Personnel Services - Benefits (Medical, dental, life, and disability insurance, pension and Social Security)	\$11,228,128
Purchased Professional and Technical Services (Chester County Intermediate Unit special education, Vo-Tech, legal, etc.)	\$5,677,992
Purchased Property Services (Utilities, repair and maintenance of school facilities, and equipment leasing)	\$1,435,103
Other Purchased Services (Transportation, tuition to other schools, insurance, travel and phone services)	\$11,185,477
Supplies (Electricity and fuel, textbooks, general supplies)	\$3,446,606
Equipment/Other (Equipment purchases over \$1,000, dues, other)	\$517,734
Financing Services	\$6,880,916
Total	\$71,462,753

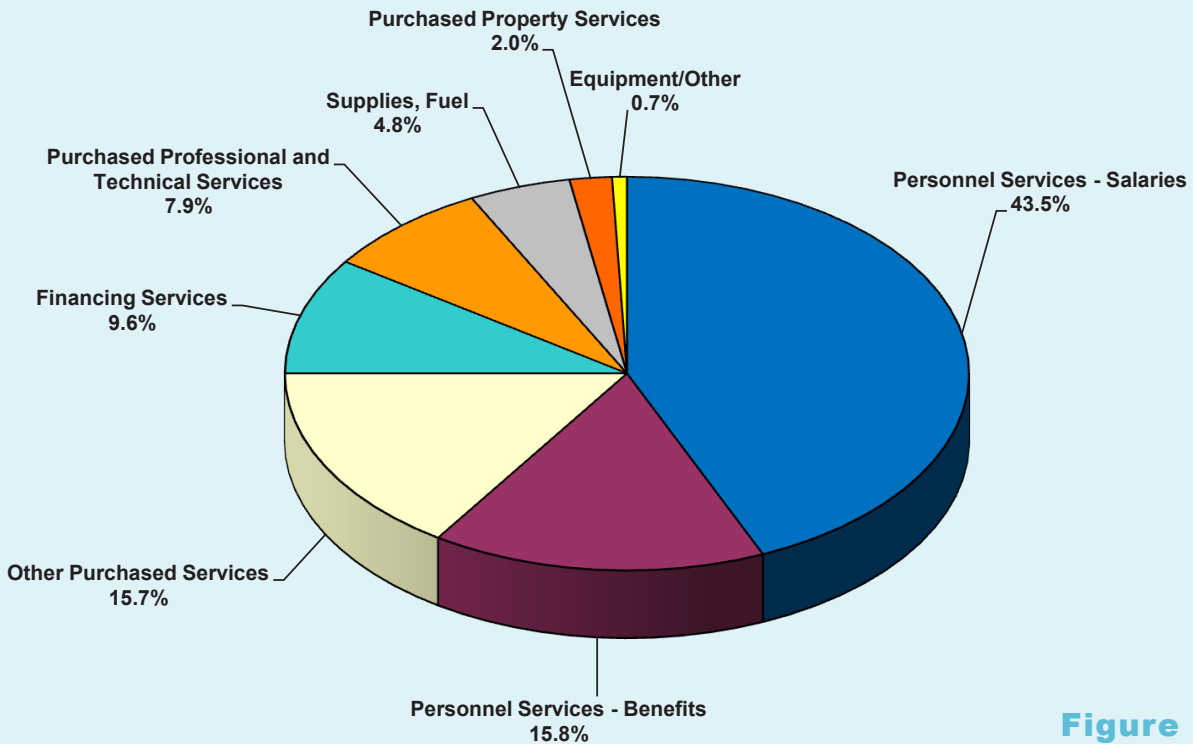


Figure II
2009-2010
Budget by Category



Avon Grove School District
375 S. Jennersville Rd.
West Grove, PA 19390

NONPROFIT ORG.
U.S. POSTAGE
PAID
PERMIT NO. 3
WEST GROVE,
PA 19390

Dr. Augustus J. Massaro
Superintendent

Dr. Margaret V. Sharp
Assistant Superintendent
Curriculum & Instruction

Board of School Directors

Lynn Klingensmith
President

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Vice President

Daniel Black

Dennis Gerber

Debra L'Heureux

Pattie Lyons

Gary Moore

William Pew

Bonnie Wolff

RESIDENT
Avon Grove School District

Inside This Issue:

- **2009-2010 Budget Highlights**
- **Analysis of Projected Revenues & Expenditures**
- **Property Tax Relief Fund Allocation**

Nondiscrimination Policy: The Avon Grove School District is an equal opportunity education institution and will not discriminate in its educational programs, activities, or employment practices on the basis of race, color, creed, national origin, sex, age, religion, ancestry, sexual orientation, handicap/disability, union membership, or other legally protected classification. Announcement of this policy is in accordance with state and federal laws, including Title VI, Title IX, and Section 504. All inquiries should be made to Dr. Wendi Lee Foltz, Director of Personnel, Avon Grove School District, 375 S. Jennersville Road, West Grove, PA 19390, 610-869-2441.

Should the Avon Grove School District Board of School Directors approve the 2009-2010 budget as proposed on June 11, along with no increase in the real estate tax, the majority* of property owners granted a homestead/farmstead exclusion through Special Session Act 1 of 2006 will pay less for property taxes in 2009-2010 than they did in 2003-2004 — the last time the District raised taxes. (See chart at right).

Property tax bills actually declined for most approved property owners last year, which is the first time the Commonwealth distributed gaming funds to school districts from the Property Tax Relief Fund. Avon Grove expects to receive \$2.673 million from the fund in 2009-2010, which is slightly higher than the amount distributed last year. School districts that receive gaming funds must pass the savings on to approved property owners as a direct reduction on their school real estate tax bills. The 2009 property tax reduction is about \$353 per each approved homestead/farmstead in Avon Grove.

In addition to providing some property tax relief through gaming funds, Act 1 also limits the amount school districts can raise property taxes in a given year without going to a voter referendum. In future years, limiting tax increases and meeting the requirements of Act 1 will become more challenging as the Avon Grove Board of School Directors and Administration continue efforts to enhance services and provide a sound instructional program for students while also containing costs.

Community members are invited to attend meetings of the Board of School Directors, as well as Finance Committee meetings, to learn more about school district operations and the budget.

Visit www.avongrove.org > About Us > School Board > Schedule for a list of meeting dates and access to meeting agendas.

AGSD Historical Tax Rate Data

Year	AGSD Tax Rate (Mills)	% Increase from Previous Year
2001-2002	21.20	4.95 percent
2002-2003	22.41	5.71 percent
2003-2004	23.82	6.29 percent
2004-2005	23.82	0 percent
2005-2006	23.82	0 percent
2006-2007	23.82	0 percent
2007-2008	23.82	0 percent
2008-2009	23.82	0 percent
2009-2010	23.82 proposed	0 percent proposed

Avon Grove School District has maintained the same tax rate of 23.82 mills for seven consecutive years through careful management and control of revenues and expenditures. During this time, the school district has expanded instructional programs and opportunities for students, including adding Advanced Placement, orchestra and foreign language courses.

* Does not include property owners who expanded or improved their property during this time and whose homes were reassessed at a higher value, or property owners who moved/purchased a property with a higher assessed value.

◀ See inside for news on Avon Grove School District's 2009-2010 General Fund Budget.