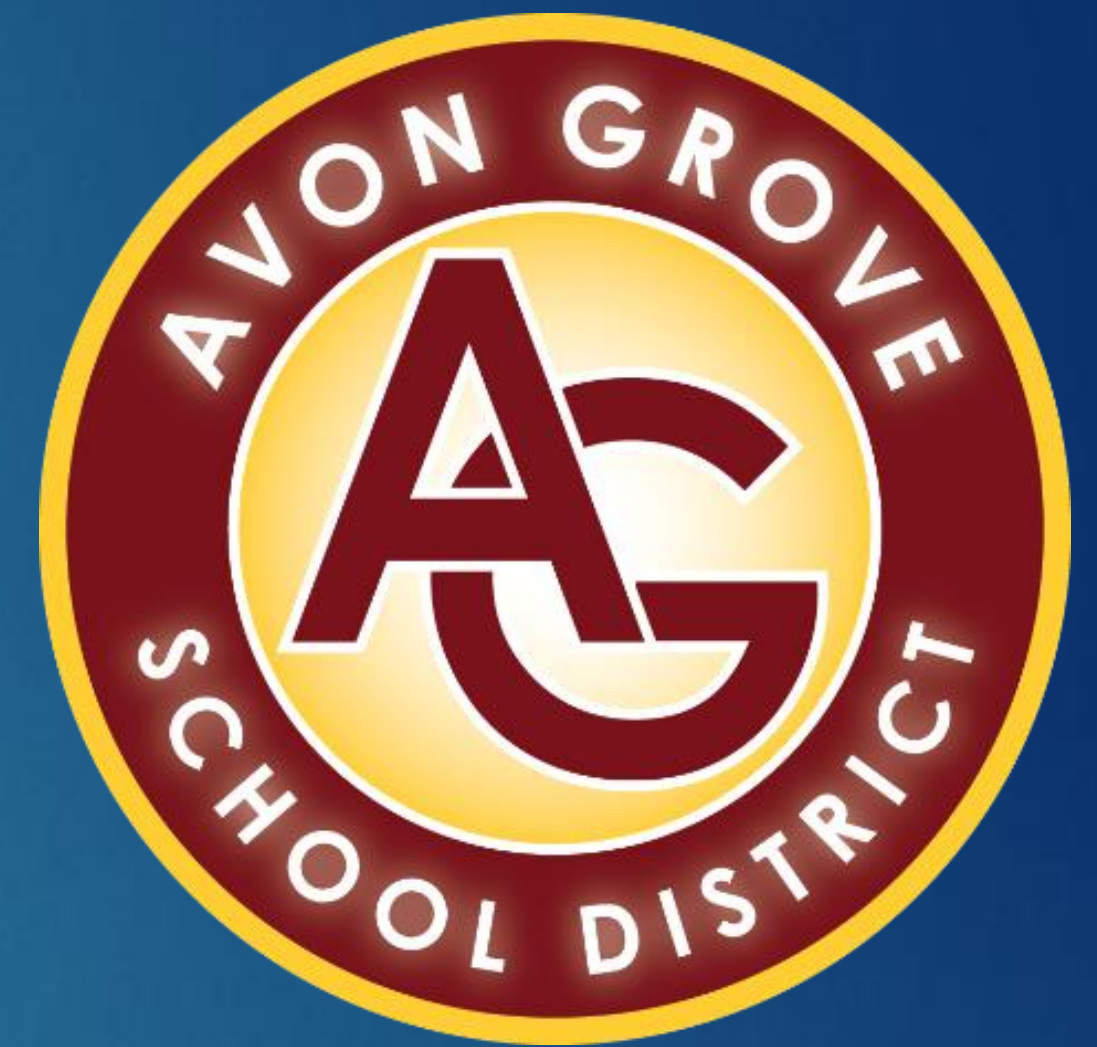


AVON GROVE SCHOOL DISTRICT

2020-21

FINAL BUDGET

May 26, 2020



2020-21 BUDGET

2020-21 Budget Summary

Major Changes

Timeline and Questions

AVON GROVE SCHOOL DISTRICT 2020-21 BUDGET

2020-21 BUDGET SUMMARY

Proposed Final Budgeted Revenues (May 12, 2020)		\$ 93,052,494
Increase federal revenues for increased Title program allocations	\$ 215,140	215,140
Proposed Final Budgeted Revenues (May 26, 2020)		<u>93,267,634</u>
Proposed Final Budgeted Expenditures (May 12, 2020)		98,630,135
Increase budgetary reserve to 2%	980,000	
Increase federal expenditures for increased Title program allocations	215,140	
Reduce facilities and maintenance expenditures	(173,279)	
Reduce planned technology equipment purchases and replacements	(95,000)	
Eliminate database contracted support services	(50,000)	
Reduce substitute services required for professional development coverage	(43,000)	
Reduce pupil support contracted services and other expenditures	(41,600)	
Adjust for known personnel changes	(32,125)	
Reduce athletics supplies and equipment purchases	(28,082)	
Reduce planned professional development activities	(16,800)	
Reduce curriculum writing and development resources by 270 hours	(13,818)	701,436
Proposed Final Budgeted Expenditures (May 26, 2020)		<u>99,331,571</u>
Proposed Final Use of Fund Balance (May 12, 2020)		5,577,641
Use of Unassigned Fund Balance:		
Increase in Revenues	(215,140)	
Increase in Expenditures	\$ 701,436	486,296
Proposed Final Use of Fund Balance (May 26, 2020)		<u>\$ 6,063,937</u>

Act 1 Index - 3.5%

SUMMARY	2016 - 2017 Actual Revenue / Expenditures	2017 - 2018 Actual Revenue / Expenditures	2018 - 2019 Actual Revenue / Expenditures	2019 - 2020 Final Budget Revenue / Expenditures	2019 - 20 Estimated Revenue / Expense	2020 - 2021 Prelim Budget Revenue / Expenditures	Budget / Budget Increase / Decrease	% Budget / Budget Increase / Decrease
FUND BALANCE APPROPRIATION	\$ -	\$ -	\$ -	\$ 6,155,153	\$ 2,785,853	\$ 6,063,937	\$ (91,216)	
6000 REVENUE FROM LOCAL SOURCES	54,639,125	56,801,706	58,463,976	60,719,515	59,263,480	61,272,342	552,827	0.91%
7000 REVENUE FROM STATE SOURCES	30,203,441	31,384,469	31,041,573	30,719,665	31,615,049	31,210,152	490,487	1.60%
8000 REVENUE FROM FEDERAL SOURCES	638,100	971,828	993,809	540,000	540,000	785,140	245,140	45.40%
9000 REVENUE FROM OTHER SOURCES	28,536	198,961	16,735	-	-	-	-	
TOTAL REVENUES	85,509,201	89,356,964	90,516,093	98,134,333	94,204,382	99,331,571	1,197,238	1.22%
TOTAL EXPENDITURES	83,605,793	85,761,953	87,871,266	89,795,048	86,840,097	90,265,897	470,849	0.52%
TOTAL OTHER FINANCING USES	4,870,113	5,120,365	5,781,866	8,339,285	7,364,285	9,065,674	726,389	8.71%
TOTAL EXP & OTHER FINANCING USES	88,475,906	90,882,318	93,653,132	98,134,333	94,204,382	99,331,571	1,197,238	1.22%
REVENUE OVER (UNDER) EXPENSE	\$ (2,966,704)	\$ (1,525,354)	\$ (3,137,039)	\$ -	\$ -	-	-	
CHESTER COUNTY MILLAGE	29.04	29.77	30.690	31.610	31.610	32.710	1.10	
MILLAGE INCREASE	3.136%	2.514%	3.090%	2.998%	2.998%	3.480%		
ACT 1 INDEX	3.20%	3.30%	3.10%	3.00%	3.00%	3.50%		
<i>Notes:</i>								
Debt @ recommended level net - \$4.5M (Placeholder)				\$ -	\$ -	\$ -		
Budgetary Reserve				\$ 975,000	\$ -	\$ 1,960,000		
Transfer to Capital Projects				\$ 2,452,200	\$ 2,452,200	\$ 1,192,000		
PSERS draw down (Committed Fund Balance)				\$ 1,590,330	\$ 1,590,330	\$ 1,363,295		
General Ops usage (Unassigned Fund Balance)				\$ 1,137,623	\$ (1,256,677)	\$ 1,548,642		

Act 1 Index - 3.5%

	2016 - 2017 Actual Fund Balance	2017 - 2018 Actual Fund Balance	2018 - 2019 Actual Fund Balance	2019 - 2020 Final Budget Fund Balance	2019 - 20 Estimated Fund Balance	2020 - 2021 Prelim Budget Fund Balance	Estimated 2019 - 2020 / Budgeted 2020 - 2021	% Budget / Budget
General Fund	\$ 23,242,867	\$ 21,717,513	\$ 18,580,474	\$ 12,425,321	\$ 15,794,621	\$ 9,730,684	\$ (6,063,937)	-48.80%
Capital Projects Fund	2,251,726	3,156,548	2,491,200	3,622,201	3,019,862	2,420,862	(599,000)	-16.54%
Internal Service Fund	3,004,824	3,353,432	3,500,000	3,500,000	3,500,000	3,500,000	-	0.00%
Totals	\$ 28,499,417	\$ 28,227,493	\$ 24,571,674	\$ 19,547,522	\$ 22,314,483	\$ 15,651,546	\$ (6,662,937)	-34.09%
Change	\$ (1,200,363)	\$ (271,924)	\$ (3,655,819)	\$ (5,024,152)	\$ 2,766,961	\$ (6,662,937)		

ADJUSTMENTS FROM MAY 12, 2020 BUDGET	2019-20 Budget	05/12/20 2020-21 Budget	05/12/20 - 05/26/20 Adjustments	05/26/20 2020-21 Budget	20-21 vs 19-20 Budget Variance
Revenues					
Local	\$ 60,719,515	\$ 61,272,342		\$ 61,272,342	\$ 552,827
State	30,719,665	31,210,152		31,210,152	490,487
Federal	540,000	570,000	215,140	785,140	245,140
Total Revenues	<u>91,979,180</u>	<u>93,052,494</u>		<u>93,267,634</u>	<u>1,288,454</u>
Expenditures					
Instruction	61,924,656	61,670,678	202,253	61,872,931	(51,725)
Support Services	26,430,303	27,296,727	(358,134)	26,938,593	508,290
Community Services	1,440,089	1,482,056	(27,683)	1,454,373	14,284
Debt Service	4,912,085	5,913,674		5,913,674	1,001,589
Fund Transfer	2,452,200	1,287,000	(95,000)	1,192,000	(1,260,200)
Budgetary Reserve	975,000	980,000	980,000	1,960,000	985,000
Total Expenditures	<u>98,134,333</u>	<u>98,630,135</u>		<u>99,331,571</u>	<u>1,197,238</u>
Deficiency of Revenues Under Expenditures	<u>\$ (6,155,153)</u>	<u>\$ (5,577,641)</u>		<u>\$ (6,063,937)</u>	<u>\$ 91,216</u>
Fund Balance Usage					
Committed Fund Balance (PSERS)	\$ 1,590,330	\$ 1,363,295		1,363,295	(227,035)
Assigned Fund Balance (transfers)	2,452,200	1,287,000	(95,000)	1,192,000	(1,260,200)
Budgetary Reserve	975,000	980,000	980,000	1,960,000	985,000
Unassigned Fund Balance	1,137,623	1,947,346	(398,704)	1,548,642	411,019
Total Use of Fund Balance	<u>\$ 6,155,153</u>	<u>\$ 5,577,641</u>		<u>\$ 6,063,937</u>	<u>\$ (91,216)</u>

CUMULATIVE ADJUSTMENTS FROM PRELIMINARY BUDGET	2019-20 Budget	Preliminary 2020-21 Budget (January)	February to May 26th Adjustments	May 2020-21 Budget	20-21 vs 19-20 Budget Variance
Revenues					
Local	\$ 60,719,515	\$ 65,364,660	(4,092,318)	\$ 61,272,342	\$ 552,827
State	30,719,665	28,882,739	2,327,413	31,210,152	490,487
Federal	540,000	570,000	215,140	785,140	245,140
Total Revenues	<u>91,979,180</u>	<u>94,817,399</u>		<u>93,267,634</u>	<u>1,288,454</u>
Expenditures					
Instruction	61,924,656	61,983,983	(111,052)	61,872,931	(51,725)
Support Services	26,430,303	27,321,596	(383,003)	26,938,593	508,290
Community Services	1,440,089	1,522,384	(68,011)	1,454,373	14,284
Debt Service	4,912,085	5,913,674		5,913,674	1,001,589
Fund Transfer	2,452,200	1,987,175	(795,175)	1,192,000	(1,260,200)
Budgetary Reserve	975,000	980,000	980,000	1,960,000	985,000
Total Expenditures	<u>98,134,333</u>	<u>99,708,812</u>		<u>99,331,571</u>	<u>1,197,238</u>
Deficiency of Revenues Under Expenditures	<u>\$ (6,155,153)</u>	<u>\$ (4,891,413)</u>		<u>\$ (6,063,937)</u>	<u>\$ 91,216</u>
Fund Balance Usage					
Committed Fund Balance (PSERS)	\$ 1,590,330	\$ 1,363,295		1,363,295	(227,035)
Assigned Fund Balance (transfers)	2,452,200	1,987,175	(795,175)	1,192,000	(1,260,200)
Budgetary Reserve	975,000	980,000	980,000	1,960,000	985,000
Unassigned Fund Balance	1,137,623	560,943	987,699	1,548,642	411,019
Total Use of Fund Balance	<u>\$ 6,155,153</u>	<u>\$ 4,891,413</u>		<u>\$ 6,063,937</u>	<u>\$ (91,216)</u>

Comparison by Function		2019-20 Budget	2020-21 Budget	Variance	% Variance
<u>Instructional Services</u>					
1100	Instruction	\$ 43,834,376	\$ 44,843,156	\$ 1,008,780	2.30%
1200	Special Programs	14,885,799	14,219,962	(665,837)	-4.47%
1300	Vocational Education Programs	3,105,591	2,715,777	(389,814)	-12.55%
1400	Other Instructional Programs	94,390	88,036	(6,354)	-6.73%
1500	Nonpublic School Programs	4,500	6,000	1,500	33.33%
<u>Support Services</u>					
2100	Support Services - Students	4,513,101	4,610,302	97,201	2.15%
2200	Support Services - Instructional Staff	2,568,390	2,940,923	372,533	14.50%
2300	Support Services - Administration	4,567,800	4,570,026	2,226	0.05%
2400	Support Services - Pupil Health	960,785	988,678	27,893	2.90%
2500	Support Services - Business	894,637	931,577	36,940	4.13%
2600	Operations & Maintenance of Plant	4,082,555	3,951,992	(130,563)	-3.20%
2700	Student Transportation Services	6,655,264	6,617,867	(37,397)	-0.56%
2800	Support Services - Central	1,971,229	2,111,150	139,921	7.10%
2900	Other Support Services	216,542	216,078	(464)	-0.21%
3200	Student Activities	1,347,589	1,361,473	13,884	1.03%
3300	Community Services	75,000	75,400	400	0.53%
3400	Scholarships and Awards	17,500	17,500	-	0.00%
5100	Debt Service	4,912,085	5,913,674	1,001,589	20.39%
5200	Fund Transfers	2,452,200	1,192,000	(1,260,200)	-51.39%
5900	Budgetary Reserve	975,000	1,960,000	985,000	101.03%
	TOTAL	\$ 98,134,333	\$ 99,331,571	\$ 1,197,238	1.22%

Comparison by Object	2019-20 Budget	2020-21 Budget	Variance	%
Object				
100 - Salaries	\$ 33,387,440	\$ 33,879,001	\$ 491,561	1.47%
200 - Benefits	21,658,178	22,376,548	718,370	3.32%
300 - Professional Services	10,031,333	9,286,441	(744,892)	-7.43%
400 - Repair/Maintenance/Rental	2,140,624	2,016,895	(123,729)	-5.78%
500 - Transportation/Insurance/Tuition	19,402,289	19,355,682	(46,607)	-0.24%
600 - Supplies/Books/Software	2,618,569	2,789,355	170,786	6.52%
800 - Bond Interest/Dues/Fees	2,463,700	3,370,649	906,949	36.81%
900 - Bond Principal	3,005,000	3,105,000	100,000	3.33%
	<u>94,707,133</u>	<u>96,179,571</u>	<u>1,472,438</u>	1.55%
Other				
800 - Budgetary Reserve	975,000	1,960,000	985,000	101.03%
900 - Transfers	2,452,200	1,192,000	(1,260,200)	-51.39%
	<u>3,427,200</u>	<u>3,152,000</u>	<u>(275,200)</u>	-8.03%
Total General Fund Budget	<u><u>\$ 98,134,333</u></u>	<u><u>\$ 99,331,571</u></u>	<u><u>\$ 1,197,238</u></u>	1.22%

<u>Comparison by Object</u>		<u>2019-20 Budget</u>	<u>2020-21 Budget</u>	<u>Variance</u>	<u>%</u>
100	Salaries and Wages	\$ 33,387,440	\$ 33,879,001	\$ 491,561	1.47%
200	Benefits:				
	Social Security/Medicare Taxes	2,530,675	2,569,594	38,919	1.54%
	PSERS	11,246,033	11,657,997	411,964	3.66%
	Medical Insurance	6,100,593	6,243,325	142,732	2.34%
	HSA Contributions	1,008,750	1,014,232	5,482	0.54%
	Other Benefits	772,127	891,400	119,273	15.45%
300	Professional Services:				
	Occupational Education (Vo-tech)	2,993,840	2,579,708	(414,132)	-13.83%
	Related Services (1200 function)	5,050,500	4,750,500	(300,000)	-5.94%
	Other Professional Services	1,986,993	1,956,233	(30,760)	-1.55%
400	Facilities Repairs/Maintenance and Rentals				
	Custodial Services	1,065,048	1,000,819	(64,229)	-6.03%
	Repairs and Maintenance	329,660	265,310	(64,350)	-19.52%
	Modular Rentals	261,000	261,500	500	0.19%
	Other Facilities Services	484,916	489,266	4,350	0.90%
500	Other Services:				
	Transportation	6,698,815	6,700,680	1,865	0.03%
	Charter School Tuition	11,118,008	11,000,000	(118,008)	-1.06%
	Other Services	1,585,466	1,655,002	69,536	4.39%
600	Supplies and Materials	2,618,569	2,789,355	170,786	6.52%
800	Other Expenditures:				
	Debt Service - Interest	1,907,085	2,808,674	901,589	47.28%
	Budgetary Reserve	975,000	1,960,000	985,000	101.03%
	Other	556,615	561,975	5,360	0.96%
900	Other Uses of Funds:				
	Debt Service - Principal	3,005,000	3,105,000	100,000	3.33%
	Transfer to Capital Projects Fund	2,452,200	1,192,000	(1,260,200)	-51.39%
	TOTAL GENERAL FUND BUDGET	\$ 98,134,333	\$ 99,331,571	\$ 1,197,238	1.22%

AVON GROVE SCHOOL DISTRICT 2020-21 BUDGET

MAJOR CHANGES

How COVID-19 Will Balloon District Costs This Coming School Year

By Daarel Burnette II

May 18, 2020

The coronavirus is driving a steep and unprecedented increase in classroom costs that's going to sweep through the nation's school system as early as this fall.

In total, America will need to spend \$41 billion, or 5 percent, more next year to roll out remote learning, expand food service for a growing number of low-income students, and extend the school year to make up for lost days, according to a recent analysis by Michael Griffith, a senior school finance researcher and policy analyst for the Learning Policy Institute.

Griffith has created an interactive tool to give an estimate of how much more money states will need next year to provide an adequate education in a post-COVID-19 world.

ARTICLE TOOLS

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Source: *Education Week*, May 2020

<https://www.edweek.org/ew/articles/2020/05/18/how-covid-19-will-balloon-district-costs-this.html>

BUDGETARY RESERVE

- ▶ There are significant unknowns about what 2020-21 operations will entail:
 - ▶ In-person classes or continued distance learning? Hybrid learning model?
 - ▶ Curriculum – new/additional resources to address “COVID-19 slump”?
 - ▶ Transportation – half-day rotations? Alternating attendance days?
 - ▶ Scheduling – staggered class changes?
 - ▶ Food service – continued non-congregate service?
 - ▶ Facilities – install plexiglass partitions in common areas, bathrooms, and/or busses?
 - ▶ Monitoring – staff costs to administer temperature screenings when entering buildings?
 - ▶ Supplies – increased costs for masks, gloves, and other PPE?
 - ▶ Staffing costs – increased substitute costs due to illnesses?
 - ▶ Technology – increased costs to expand student access to technology?
 - ▶ State/Federal mandates – additional mandates to further expand available sick time and FMLA allowance?
- ▶ Increased budgetary reserve from **1%** of total expenditures to **2%** to address the increase in unknown potential costs – **total = \$1,960,000**
- ▶ Reserve funds can only be used after a budget transfer has been Board approved

SUPPORT SERVICES REDUCTIONS

(MADE SINCE MAY 12TH PRESENTATION)

Curriculum and Instruction

Decrease planned professional development	\$ 16,800
Reduce substitute costs not needed for PD	43,000
Reduce curriculum development hours	13,818
	<u>\$ 73,618</u>

Pupil Services

Reduce administrative support services	\$ 28,000
Reduce child accounting support services	10,000
Travel, printing, and other reductions	3,600
	<u>\$ 41,600</u>

Technology

Eliminate database project support	\$ 50,000
Reduce replacement hardware purchases and obtain lower commitments from suppliers	95,000
	<u>\$ 145,000</u>

Facilities Maintenance

Reduce contracted custodial cleaning (1 month)	\$ 90,529
Reduce estimated repairs and maintenance	35,500
Reduce supplies and materials budget	42,250
Reduce snow removal supplies and services	3,000
Other miscellaneous reductions	2,000
	<u>\$ 173,279</u>

Athletics

Reduce middle school athletics supplies	\$ 6,425
Reduce high school athletics supplies	19,765
Reduce general supplies	1,892
	<u>\$ 28,082</u>

TOTAL REDUCTIONS

\$461,579

TRANSFER TO CAPITAL PROJECTS FUND

- ▶ Transfer to Capital Projects Fund reduced by **\$95,000** due to reductions in capital technology costs
- ▶ Total transfer will consist of approximately $\frac{1}{4}$ of 1 mill + anticipated capital spending (700 objects)

Description	Amount
Annual transfer - ~1/4 of one collected mill for long range plan projects	\$ 500,000
Anticipated Capital Spending:	
Furniture and equipment from AGI instructional allocation	30,000
Technology purchases (ChromeBooks, teacher laptops, computer labs, etc.)	620,000
Audio visual equipment upgrades and new charging towers	42,000
Total Transfer to Capital Projects Fund	\$ 1,192,000

2020-21 BUDGET CALENDAR



AVON GROVE SCHOOL DISTRICT 2020-21 BUDGET

QUESTIONS