

AVON GROVE SCHOOL DISTRICT



April 27, 2017
2017-18 Proposed Final Budget



Introduction

- Mission / Vision
- Shared Values
- Reinvesting in Avon Grove
- Goals
- 2017-18 Proposed Final
- General Fund Summary



AGSD Mission and Vision

MISSION STATEMENT

The purpose of the Avon Grove School District is to foster a learning environment for all students to be exceptionally well prepared to succeed and lead full and meaningful lives.

VISION STATEMENT

All Avon Grove students are well prepared to create their own futures.



AGSD Shared Values

The Avon Grove School Community believes that...

- All students are unique, have personalized goals, and understand what is necessary to achieve them
- All students are taught by the highest quality educators who make learning customized and purposeful
- All students are lifelong learners who will be emotionally prepared for their success and failure
- All students and parents are partners in the Avon Grove School District Mission and critical to its future
- All students are supported with the technology and infrastructure to pursue their goals
- All stakeholders are aware of the priorities, decisions, and actions of the Avon Grove School District through a comprehensive and inclusive communication system
- All financial decisions are prioritized and aligned with the Avon Grove School District Mission



Reinvesting in Avon Grove

During the last three budget cycles, the district has been able to:

- Re-invest in critical operational and capital needs
- Absorb significant increases in PSERS obligations and charter school tuition, through a combination of cost-savings measures, reallocation of resources, judicious and limited use of our fund balance, and very modest tax increases

GOAL: Restore program reductions that occurred between 2009 and 2013

PROGRESS: Achieved



2017-18 Budget

Supports our District Goals:

1. Increase Learning Opportunities for All
2. Develop and Implement a Systems Thinking Approach
3. Develop and Establish a Communications and Community Outreach Plan



A Focus on 2017-18 and Beyond

Major Impact:

Full Day Kindergarten:

- Single Major Impact Proposed and Supported for the 2017-18 Budget
- Current enrollment is at 261 students

Establishes a framework to support future planning through:

- Use of the 5 Year Plan (genesis of recommended 2.5% increase in taxes)
- Implementation of Capital Projects Transfer Policy (transfer of 1 mil {1.8 mm} of collected revenues)
- Implementation of Budgetary Reserve (establishing budget line of 1% of expenditures {900K} for tighter budgeting)
- A structural evaluation to capture efficiencies for sustainable long term impact



2017-18 Proposed Final Budget Summary





2017-18 Budget Process

- October/November 2016
 - Review of process with District Administration, Principals and Supervisors
 - Major Impact Process
 - Zero Based Budgeting – from the ground up
- December 2016
 - Adopted Opt out Resolution - not to exceed 2017-18 Act 1 Index
- January 2017
 - Draft Budget “First Look” was presented to Board
- February through April 2017
 - Monthly Public Budget Work Sessions with topical focus
 - Revenues
 - Expenditures (Major Impacts)
 - Fund Balance Utilization
 - Proposed Final Adoption: April 27, 2017
 - Public Inspection: 30 days
- May 2017 – Meeting to review budget
- June 2017
 - Final Budget Work session
 - Final Adoption: June 8, 2017
 - Implement the 2017-18 Budget



2017-18 Budget Proposal Analysis

	2016-17 Budget	2017-18 Budget	Increase/ (Decrease)
<u>Revenue Sources</u>			
Local Sources	55,238,132	59,377,831	4,139,699
State Sources	28,922,029	27,077,633	-1,844,396
Federal Sources	764,869	664,869	-100,000
Total Revenue	84,925,030	87,120,333	2,195,303
<u>Expenditure Uses</u>			
Instruction	57,966,466	59,204,760	1,238,294
Support Services	25,101,420	25,791,543	690,123
Community Services	1,094,967	1,183,331	88,364
Building Improvements	0	50,000	50,000
Debt Service	4,835,000	4,830,365	-4,635
Fund Transfers	1,600,000	1,850,000	250,000
Budgetary Reserve	874,000	900,000	26,000
Total Expenditures	91,471,853	93,809,999	2,338,146
Deficit	-6,546,823	-6,689,666	142,843
Budgetary Reserve	874,000	900,000	
Net Debt @ \$4.5 Million	1,563,110	1,560,000	
Use of Committed Fund Balance (PSERS)	1,827,754	1,020,389	
Use of Assigned Fund Balance (Transfers)	1,600,000	1,850,000	
Use of Unassigned Fund Balance	681,959	1,359,277	
Total	6,546,823	6,689,666	10



2017-18 Budget Proposal

Proposed Budget Revenue (March 2017)			\$ 86,970,775
Local Revenue - (Interest)		\$ 25,000	
State Revenue - (Basic Ed, Social Security Reimbursement)		\$ 124,558	
Subtotal			\$ 149,558
Proposed Budget Revenue (April 2017)			\$ 87,120,333
Proposed Budget Revenue and Use of Fund Balance (March 2017)			\$ 6,829,224
Use of Unassigned Fund Balance		\$ (139,558)	
Subtotal			\$ (139,558)
Proposed Use of Fund Balance (April 2017)			\$ 6,689,666
Proposed Budget Expenditures (March 2017)			\$ 93,799,999
Long Term Disability		\$ (30,000)	
Unemployment		\$ (10,000)	
Facility Repairs		\$ 50,000	
Subtotal			\$ 10,000
Proposed Budget Expenditures (April 2017)			\$ 93,809,999



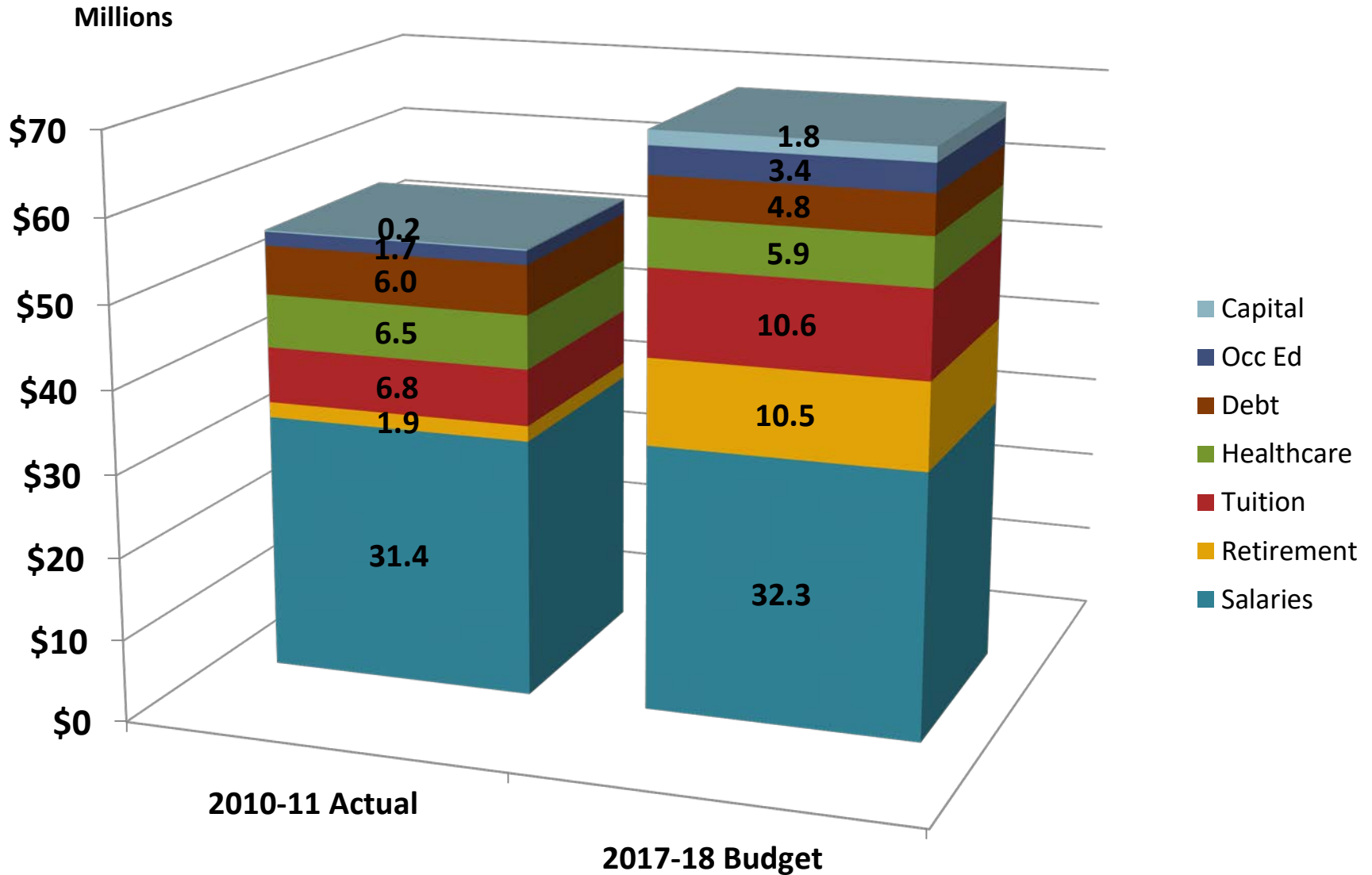
2017-18 Fund Balance

	ACTUAL 2015-16	BUDGET 2016-17	ESTIMATE 2016-17	BUDGET 2017-18
<u>GENERAL FUND</u>				
Beginning Balance	\$ 27,913,602.00	\$ 26,209,570.00	\$ 26,209,570.00	\$ 23,190,156.00
<i>Surplus/Deficit</i>	\$ (504,032.00)	\$ (4,942,684.24)	\$ (1,419,414.00)	\$ (4,839,666.00)
<i>Transfers to Capital Projects</i>	\$ (1,200,000.00)	\$ (1,600,000.00)	\$ (1,600,000.00)	\$ (1,850,000.00)
Total GF Fund Balance	\$ 26,209,570.00	\$ 19,666,885.76	\$ 23,190,156.00	\$ 16,500,490.00
<u>CAPITAL PROJECTS</u>				
Beginning Balance	\$ 1,841,993.59	\$ 1,593,975.00	\$ 1,593,975.00	\$ 2,364,166.00
<i>Spending</i>	\$ (1,448,018.59)	\$ (2,388,740.00)	\$ (829,809.00)	\$ (2,003,700.00)
<i>Gain on Bond Refinancing</i>				
<i>Transfers From General Fund</i>	\$ 1,200,000.00	\$ 1,600,000.00	\$ 1,600,000.00	\$ 1,850,000.00
Total CP Fund Balance	\$ 1,593,975.00	\$ 805,235.00	\$ 2,364,166.00	\$ 2,210,466.00
Total Fund Balance Available	\$ 27,803,545.00	\$ 20,472,120.76	\$ 25,554,322.00	\$ 18,710,956.00
<u>ALLOCATION OF FUND BALANCE</u>				
<i>Restricted (Capital Projects)</i>	\$ 1,593,975.00	\$ 805,235.00	\$ 2,364,166.00	\$ 2,210,466.00
<i>Nonspendable</i>	\$ 409,509.00	\$ 409,509.00	\$ 409,509.00	\$ 409,509.00
<i>Committed (PSERS)</i>	\$ 10,000,000.00	\$ 8,172,000.00	\$ 9,231,672.00	\$ 8,261,283.00
<i>Assigned</i>	\$ 9,088,989.00	\$ 7,488,989.00	\$ 7,488,989.00	\$ 5,638,989.00
<i>Unassigned</i>	\$ 6,711,072.00	\$ 3,596,387.76	\$ 6,059,986.00	\$ 2,190,709.00
Total Fund Balance	\$ 27,803,545.00	\$ 20,472,120.76	\$ 25,554,322.00	\$ 18,710,956.00



2017-2018 Budget

Selected General Fund Expenditures





2017-18 Summary General Fund Budget

Expenditures By Object

Expenditures	2016-17 Budget	2017-18 Budget	Variance
100 - Salaries	31,445,509	32,310,988	865,479
200 - Benefits	19,323,693	20,329,382	1,005,689
300 - Professional Services	10,011,005	9,909,080	-101,925
400 - Repair/Maintenance/Rental	1,909,724	2,112,544	202,820
500 - Transportation/Insurance/Tuition	17,104,281	17,342,907	238,626
600 - Supplies/Books/Software	2,742,236	2,751,970	9,734
700 - Capital	1,387,652	1,123,750	-263,902
800 - Bond Interest/Dues/Fees	730,643	779,378	48,735
900 - Bond Principal	2,780,000	2,840,000	60,000
	87,434,743	89,499,999	2,065,256
<u>Other</u>			
800 - Budgetary Reserve	874,000	900,000	26,000
800 - Recommended Debt Adjustment	1,563,110	1,560,000	-3,110
900 - Transfers	1,600,000	1,850,000	250,000
	4,037,110	4,310,000	272,890
Total General Fund Budget	91,471,853	93,809,999	2,338,146



Items Affecting the 2017-18 Budget

	Increase/ (Decrease)		Realign	FDK	All Other
100 Salaries	865,479				
		Full Day Kindergarten		407,935	
		Teacher Salaries (excludes FDK)			428,838
200 Benefits	1,005,689				
		Full Day Kindergarten		287,950	
		Health Benefits (excludes FDK)			(161,457)
		Reduced Unemployment Comp			(54,045)
		Reduced Long Term Disability			(42,109)
		Social Security (excludes FDK)			38,255
		Workers Comp			43,749
		PSERS (excludes FDK)			897,474
300 Professional Services	(101,925)				
		Legal services from 300's to 800's	(75,000)		
		Decrease in technology			(191,500)
		Reduce special ed legal			(85,000)
		Architect Services			(47,750)
		Reduce Alternative Ed			(30,000)
		Increase in Vo-tech			324,308
400 Repairs/Maintenance	202,820				
		FDK Modular leases		60,000	
		Building Repairs			50,000
		Sewer (WWTP sold)			75,000



Items Affecting the 2017-18 Budget

	Increase/ (Decrease)		Realign	FDK	All Other
500 Transportation/Tuition	238,626				
		Transportation fuel from 600 to 500	303,882		
		Eliminate one bus			(52,813)
600 Supplies/Books/Software	9,734				
		Transportation fuel from 600 to 500	(303,882)		
		Non capital equipment from 700 to 600	125,000		
		Oil/Gas conversion			(75,000)
		Science kits			118,310
		C&I - Social Studies text books			116,350
700 Capital	(263,902)				
		Non capital equipment from 700 to 600	(125,000)		
		Band instrument major impact completed 2016-2017			(40,000)
		Converted classroom to lab completed 2016-2017			(49,500)
800 Dues/Fees/Interest	71,625				
		Legal services from 300's to 800's	75,000		
900 Bond Principal/Transfers	310,000				
		Increase Bond Payment			60,000
		Increase Capital Projects transfer			250,000
Grand Total	2,338,146		0	755,885	1,573,110



2017-18 Summary General Fund Budget

Expenditures By Function

Function		2016-17 Budget	2017-18 Budget	Variance
<u>Instructional</u>				
1100	Instruction	40,411,094	41,569,905	1,158,811
1200	Special Programs	14,274,615	14,064,665	-209,950
1300	Vocational Education Programs	3,081,325	3,405,633	324,308
1400	Other Instructional Programs	199,432	164,557	-34,875
		57,966,466	59,204,760	1,238,294
<u>Support Services</u>				
2100	Support Services - Students	3,892,092	3,885,792	-6,300
2200	Support Services - Inst Staff	2,387,947	2,718,807	330,860
2300	Support Services - Administration	3,723,098	3,956,771	233,673
2400	Support Services - Pupil Health	870,903	924,499	53,596
2500	Support Services - Business	887,824	919,063	31,239
2600	Operations & Maintenance of Plant	3,989,013	4,051,199	62,186
2700	Student Transportation Services	6,212,816	6,122,394	-90,422
2800	Support Services - Central	3,050,099	3,125,390	75,291
2900	Other Support Services	87,628	87,628	0
3200	Student Activities	1,094,967	1,183,331	88,364
4600	Building Improvements	0	50,000	50,000
5100	Debt Service	4,835,000	4,830,365	-4,635
5200	Fund Transfers	1,600,000	1,850,000	250,000
5900	Budgetary Reserve	874,000	900,000	26,000
		33,505,387	34,605,239	1,099,852
Total General Fund Budget		91,471,853	93,809,999	2,338,146



Items Affecting the 2017-18 Budget

	Increase/ (Decrease)		Realign	FDK	All Other
1100 Instructional Regular	1,158,811				
		Realign salaries and benefits from 1100 to 2200	(566,824)		
		Realign salaries and benefits from 1100 to 2100	(19,003)		
		Realign salaries and benefits from 1100 to 2300	(8,000)		
		Full Day Kindergarten		695,885	
		Teacher Salaries (excludes FDK)			428,838
		PSERS (excludes FDK)			601,896
1200 Special Programs	(209,950)				
		Realign salaries and benefits from 1200 to 2200	(164,559)		
		Realign salaries and benefits from 1200 to 2100	(96,739)		
		Realign special ed legal fees to 2300	(75,000)		
		PSERS			64,782
1300 Vocational Education	324,308				
		Increase in Vo Tech			324,308
2100 Pupil Personnel Services	(6,300)				
		Realign salaries and benefits from 2100 to 2300	(70,122)		
		Realign salaries and benefits from 1100 to 2100	19,003		
		Realign salaries and benefits from 1200 to 2100	96,739		
		Reduced purchased professional services			(39,000)



Items Affecting the 2017-18 Budget

	Increase/ (Decrease)		Realign	FDK	All Other
2200 Instructional Staff Services	330,861				
		Realign salaries and benefits from 2200 to 2800	(481,446)		
		Realign salaries and benefits from 1100 to 2200	566,824		
		Realign salaries and benefits from 1200 to 2200	164,559		
		One less librarian			(116,987)
		Decrease professional education			(76,039)
		Decrease telephone			(30,000)
		Decrease travel			(20,150)
		PSERS			25,049
		Science kits			118,310
		C&I - Social Studies text books			116,350
2300 Administrative Services	233,672				
		Realign salaries and benefits from 1100 to 2300	8,000		
		Realign salaries and benefits from 2100 to 2300	70,122		
		PSERS			56,174
		Realign special ed legal fees from 1200	75,000		
2400 Pupil Health Services	53,596				
		PSERS			20,982
		Supplies			4,329
		Salary increases			27,700



Items Affecting the 2017-18 Budget

	Increase/ (Decrease)		Realign	FDK	All Other
2500 Business Services	31,239				
		PSERS			14,221
		Postage/telephone			6,000
		Professional services			11,000
2600 Operation and Maintenance	62,186				
		PSERS			3,465
		Modular rental		60,000	
2700 Student Transportation	(90,422)				
		PSERS			1,469
		Supplies			6,708
		Eliminate one bus			(52,813)
		Price reduction gasoline			(6,118)
2800 Central Services	75,290				
		Realign salaries and benefits from 2200 to 2800	481,446		
		Eliminate administrative position			(239,304)
		Technology supplies and hardware			(123,438)
		Technology purchased services			(76,059)
3200 Student Activities	88,364				
		PSERS			23,763
		2017-2018 final year for major impact to add coaches			43,406
		Increase student activities transportation			12,966



Items Affecting the 2017-18 Budget

	Increase/ (Decrease)		Realign	FDK	All Other
4600 Facilities	50,000				
		Increased Building repairs			50,000
5200 General Fund Support	250,000				
		Increase transfer to Capital Projects			250,000
5900 Budgetary Reserve	26,000				
		Increase budgetary reserve			26,000
Grand Total	2,377,655		0	755,885	1,457,809



2017-18 Budget Summary

Real Estate Taxes

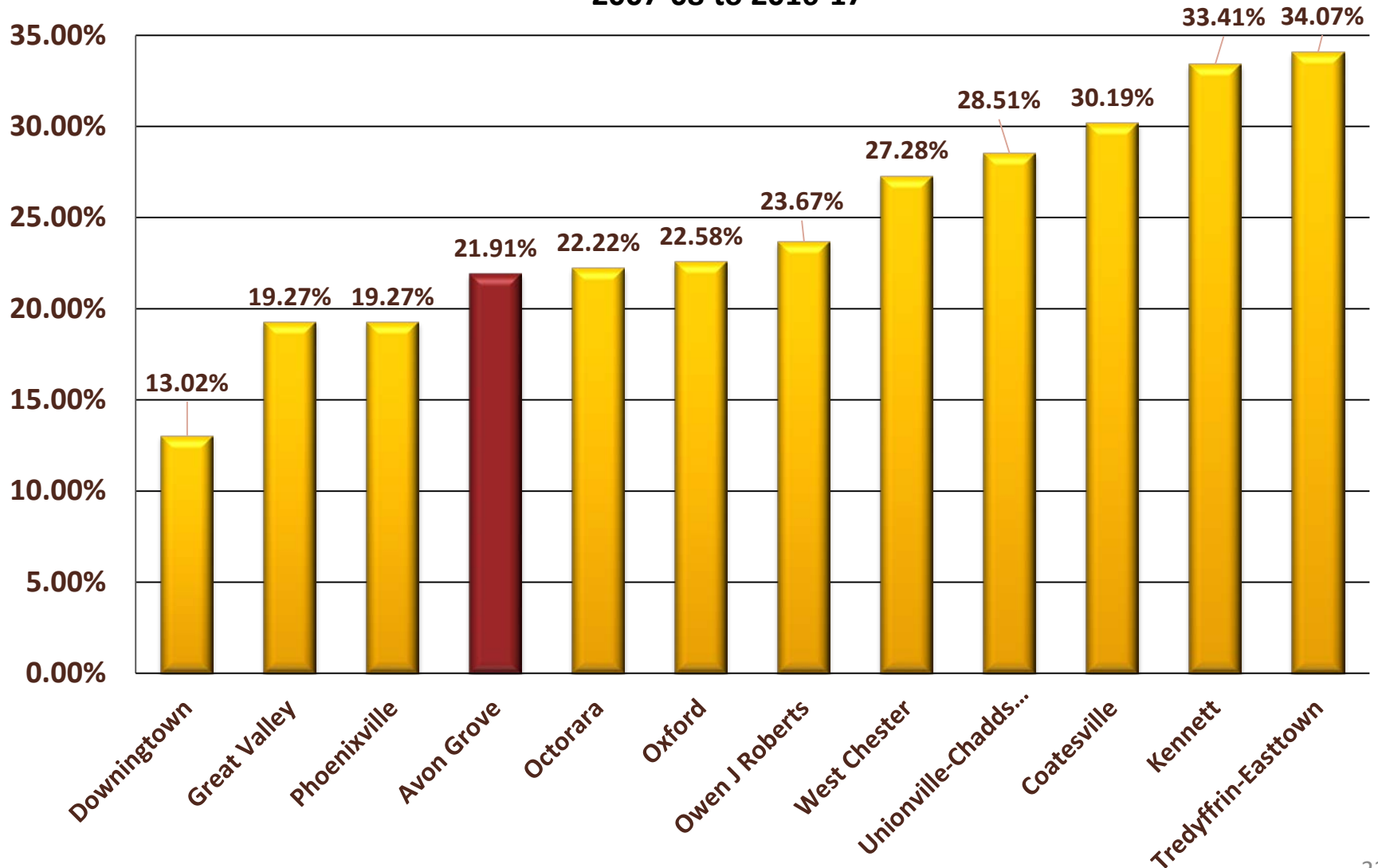
2017-2018 Real Estate Taxes	Current Millage 29.040	Millage 29.330	Millage 29.621	Millage 29.770	Millage 29.911	Index Millage 29.998
Millage % increase		1.00%	2.00%	2.51%	3.00%	3.30%
Assessed Values	\$1,906,085,186	\$1,906,085,186	\$1,906,085,186	\$1,906,085,186	\$1,906,085,186	\$1,906,085,186
Tax Levy on Assessed Values	\$ 55,352,714	\$ 55,906,241	\$ 56,459,768	\$ 56,744,156	\$ 57,013,295	\$ 57,179,353
Budgeted % of Collection	97.00%	97.00%	97.00%	97.00%	97.00%	97.00%
Real Estate Taxes	\$ 53,692,132	\$ 54,229,054	\$ 54,765,975	\$ 55,041,831	\$ 55,302,896	\$ 55,463,973
Revenue Increase		\$ 536,921	\$ 1,073,843	\$ 1,349,699	\$ 1,610,764	\$ 1,771,840

Value of 1 mill	\$ 1,848,903
------------------------	---------------------



Real Estate Millage for Chester County School Districts

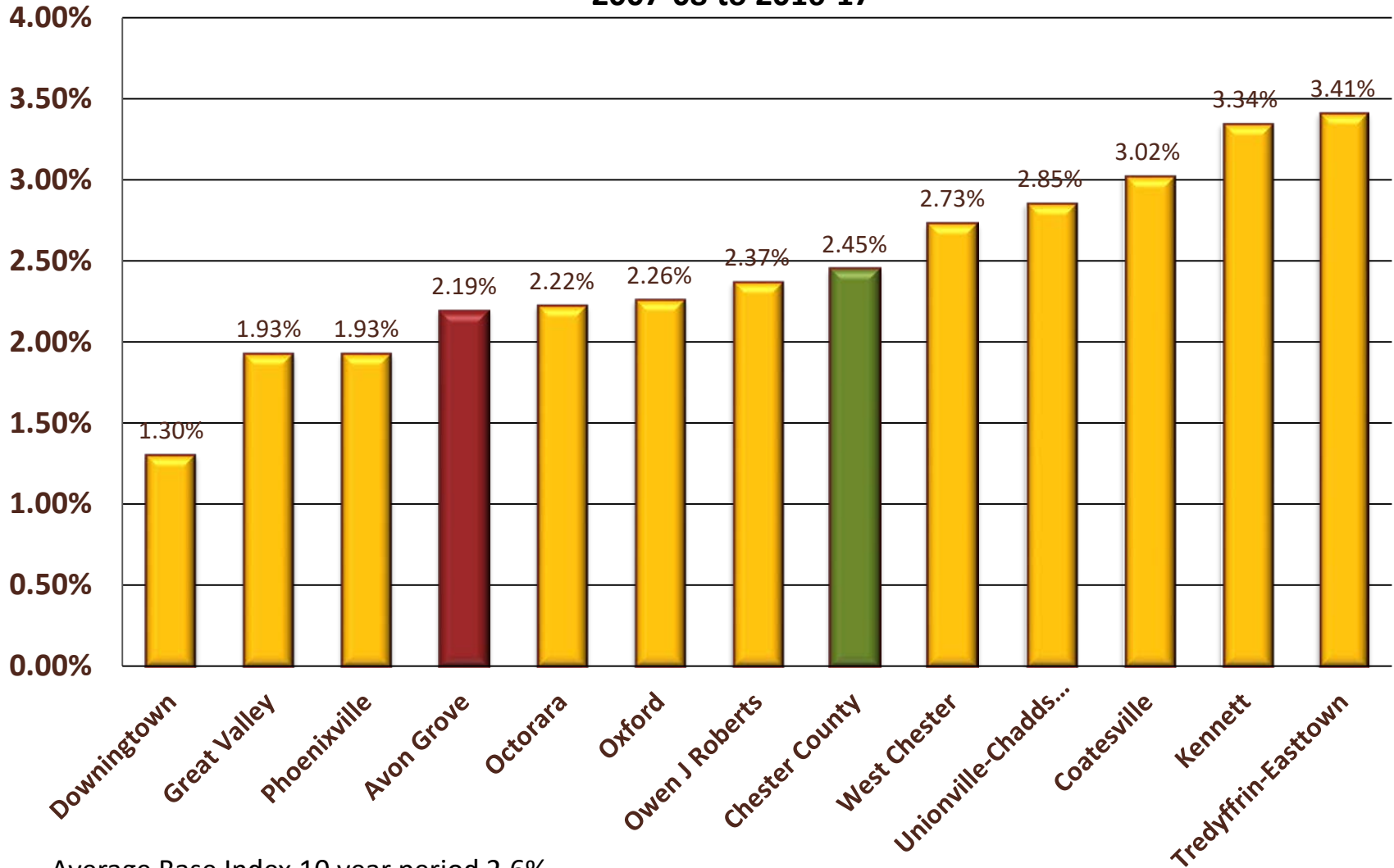
Percentage Increase Over 10 Year Period
2007-08 to 2016-17





Real Estate Millage for Chester County School Districts

Average Percent Increase Over 10 Year Period
2007-08 to 2016-17



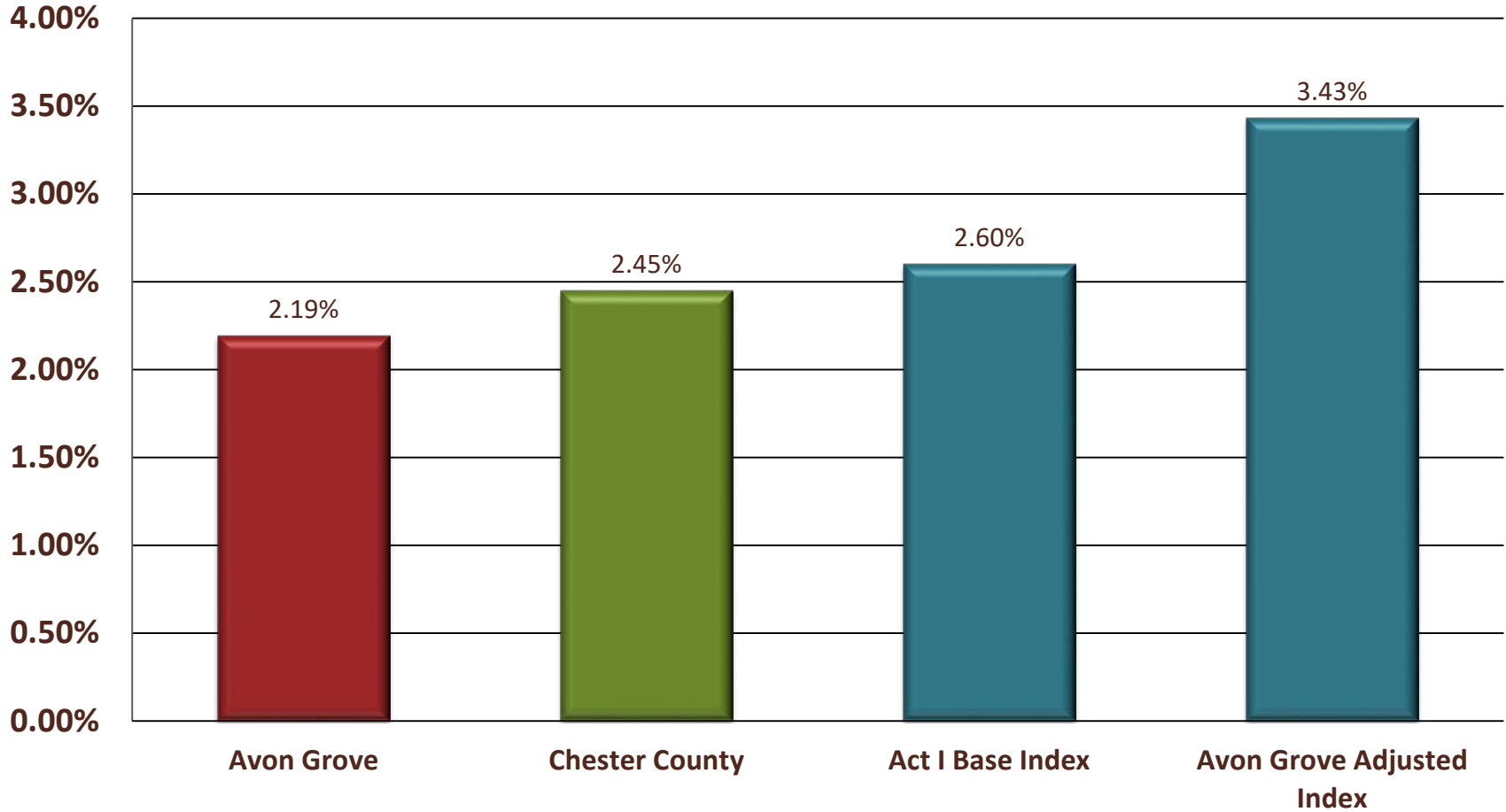
Average Base Index 10 year period 2.6%

Avon Grove Average Adjusted Index 10 year period 3.43%



Real Estate Millage for Avon Grove

Average Percentage Increase Over 10 Year Period
2007-08 to 2016-17





2017-18 Budget Summary

Real Estate Taxes

		2016-2017			2017-2018			
	Assessed Value	Mill	Total Tax Paid	Assessed Value	Mill	Total Tax Paid	Increase	
								Median
	110,000	29.04	\$3,194.40	110,000	29.77	\$3,274.70	\$80.30	
	169,600	29.04	\$4,925.18	169,600	29.77	\$5,048.99	\$123.81	
	225,000	29.04	\$6,534.00	225,000	29.77	\$6,698.25	\$164.25	
	300,000	29.04	\$8,712.00	300,000	29.77	\$8,931.00	\$219.00	

Increase not reflecting 2017 Homestead Exclusion (PA Property Tax Relief)



Questions