

# AVON GROVE SCHOOL DISTRICT



***March 21, 2017***  
***Finance Committee Meeting***  
***Expense***



# Review of Expense Budget 2017-18

## Discussion

- **Expense**
  - **Review Function/Objects**
  - **Items affecting the General Fund Budget**
  - **Major Impact**
- **Budget Summary**
- **Time Line**



# 2017-18 Summary General Fund Budget Expenditures

## Comparison of Approved Budget for 2016 - 2017 and Preliminary Budget for 2017 - 2018

<u>Function/Dept.</u>	<u>Description</u>	<u>2016-17 Budget</u>	<u>2017-18 Budget</u>	<u>Variance</u>
1100	Instruction	\$ 40,411,094	\$ 41,993,282	\$ 1,582,188
1200	Special Programs	\$ 14,274,615	\$ 14,325,963	\$ 51,348
1300	Vocational Education Programs	\$ 3,081,325	\$ 3,405,633	\$ 324,308
1400	Other Instructional Programs	\$ 199,432	\$ 164,557	\$ (34,875)
1500	Nonpublic School Programs	\$ -	\$ -	\$ -
<b><u>Support Services</u></b>				
2100	Support Services - Students	\$ 3,892,092	\$ 3,840,172	\$ (51,920)
2200	Support Services - Inst Staff	\$ 2,387,947	\$ 2,681,770	\$ 293,823
2300	Support Services - Administration	\$ 3,723,098	\$ 3,882,999	\$ 159,901
2400	Support Services - Pupil Health	\$ 870,903	\$ 924,499	\$ 53,596
2500	Support Services - Business	\$ 887,824	\$ 919,563	\$ 31,739
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	\$ 2,636,644	\$ (413,455)
2900	Other Support Services	\$ 87,628	\$ 87,628	\$ -
3200	Student Activities	\$ 1,094,967	\$ 1,183,331	\$ 88,364
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
	<b>TOTAL</b>	<b>\$ 91,471,853</b>	<b>\$ 93,799,999</b>	<b>\$ 2,328,146</b>



# 2017-18 Summary General Fund Budget Expenditures

<u>Expenditures</u>	<u>2016-17 Budget</u>	<u>2017-18 Budget</u>	<u>Variance</u>
100 - Salaries	\$ 31,445,509	\$ 32,310,988	\$ 865,479
200 - Benefits	\$ 19,323,693	\$ 20,369,382	\$ 1,045,689
300 - Professional Services	\$ 10,011,005	\$ 9,902,230	\$ (108,775)
400 - Repair/Maintenance/Rental	\$ 1,909,724	\$ 2,062,344	\$ 152,620
500 - Transportation/Insurance/Tuition	\$ 17,104,281	\$ 17,347,907	\$ 243,626
600 - Supplies/Books/Software	\$ 2,742,236	\$ 2,752,820	\$ 10,584
700 - Capital	\$ 1,387,652	\$ 1,125,750	\$ (261,902)
800 - Bond Interest/Dues/Fees	\$ 730,643	\$ 778,578	\$ 47,935
900 - Bond Principle	<u>\$ 2,780,000</u>	<u>\$ 2,840,000</u>	<u>\$ 60,000</u>
	\$ 87,434,743	\$ 89,489,999	\$ 2,055,256
Other			
800 - Recommended Debt Adjustment	\$ 1,563,110	\$ 1,560,000	\$ (3,110)
800 - Budgetary Reserve	\$ 874,000	\$ 900,000	\$ 26,000
900 - Transfers	<u>\$ 1,600,000</u>	<u>\$ 1,850,000</u>	<u>\$ 250,000</u>
	<b>\$ 4,037,110</b>	<b>\$ 4,310,000</b>	<b>\$ 272,890</b>
<b>Total General Fund Budget</b>	<b>\$ 91,471,853</b>	<b>\$ 93,799,999</b>	<b>\$ 2,328,146</b>



# PSERS Projected Employer Contribution Rates

## EXPENDITURES

▪ *PSERS Retirement*

2016-17

\$9.4M

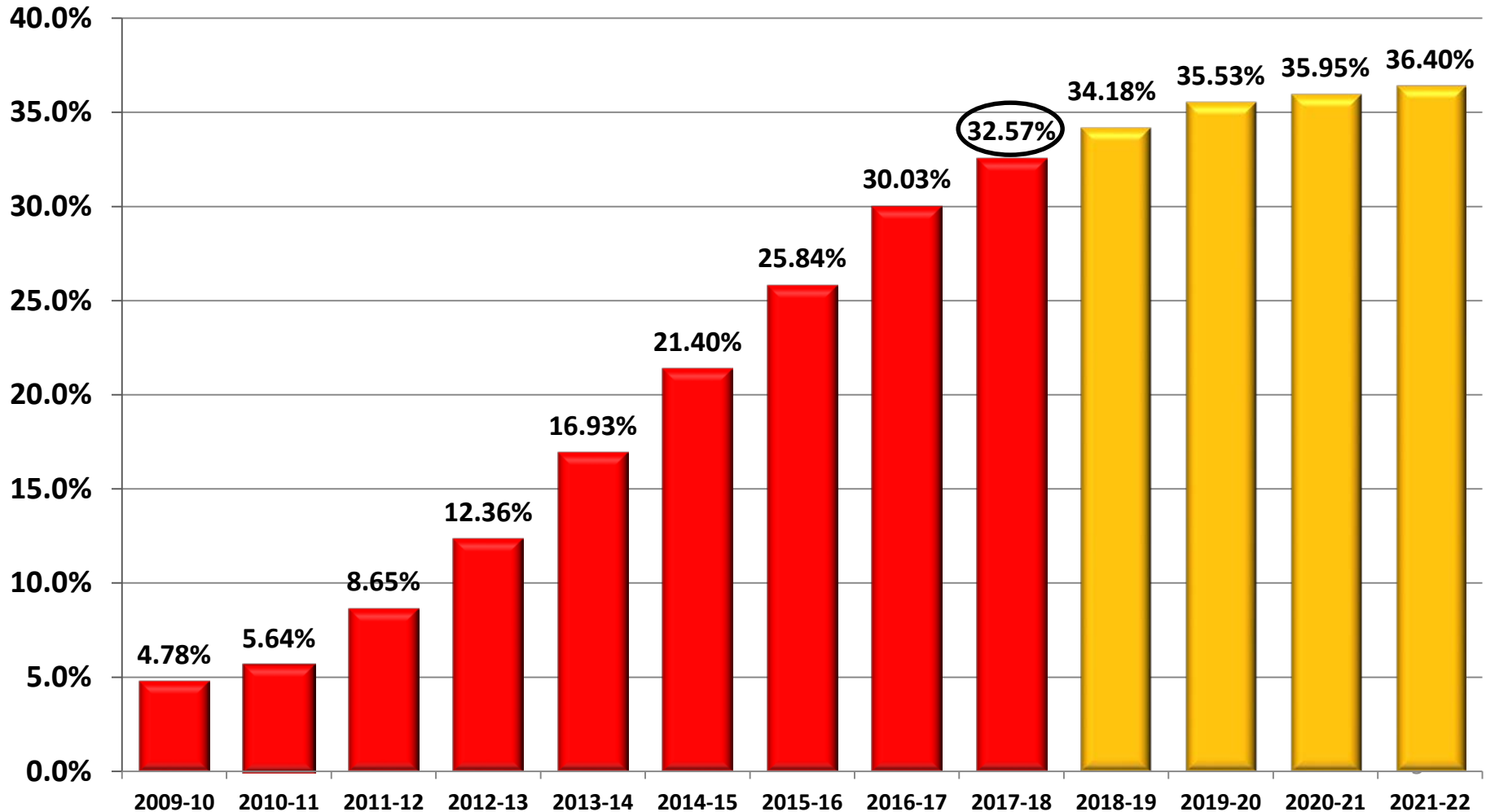
2017-18

\$10.4M

Increase

\$1.0M

## PSERS Employer Contribution Rates 2010 through 2022





# PSERS Expense History

PSERS Historical and Projected Expenses									
	<u>PSERS</u> <u>Rate</u>	<u>%</u> <u>Increase</u>	<u>Expense</u>	<u>State</u> <u>Revenue</u>	<u>Net</u>	<u>Impact on</u> <u>District</u>	<u>Mil Value</u>	<u>Mills</u> <u>Required</u>	<u>Cumm</u> <u>Required</u> <u>Mills</u>
<b>2009-10</b>									
<b>2010-11</b>	5.64%		1,876,309	1,109,708	766,601				
<b>2011-12</b>	8.65%	53.37%	2,486,775	1,153,258	1,333,517	566,916	1,782,139	0.318	0.318
<b>2012-13</b>	12.36%	42.89%	3,644,456	2,028,000	1,616,456	282,939	1,779,466	0.159	0.477
<b>2013-14</b>	16.93%	36.97%	5,026,850	2,481,756	2,545,094	928,638	1,793,713	0.518	0.995
<b>2014-15</b>	21.40%	26.40%	6,512,854	3,256,427	3,256,427	711,333	1,824,040	0.390	1.385
<b>2015-16</b>	25.84%	20.75%	7,723,820	4,080,000	3,643,820	387,393	1,834,935	0.211	1.596
<b>2016-17</b>	30.03%	16.22%	9,429,925	4,660,000	4,769,925	1,126,105	1,846,880	0.610	2.206
<b>2017-18</b>	32.57%	8.46%	10,437,008	5,200,000	5,237,008	467,083	1,848,820	0.253	2.458
<b>2018-19</b>	34.18%	4.94%	11,209,554	5,604,777	5,604,777	367,769	1,859,490	0.198	2.656
<b>2019-20</b>	35.53%	3.95%	11,827,080	5,913,540	5,913,540	308,763	1,870,160	0.165	2.821
<b>2020-21</b>	35.95%	1.18%	12,146,391	6,073,196	6,073,196	159,656	1,870,160	0.085	2.907
<b>2021-22</b>	36.40%	1.25%	12,482,909	6,241,454	6,241,454	168,259	1,870,160	0.090	2.997
<b>Actual</b>									
<b>Estimated</b>									
<b>Draw down of Committed Fund Balance will start to occur in 2016-17.</b>									
<b>Revised draw down schedule requires .14 mill tax in 2017-18</b>									



# Items Affecting the 2017-18 Budget

## Preliminary 2017-2018 Occupational Education Budget

District	2016-2017 Contribution	2017-2018 Contribution	Increase (Decrease)	Pct. Change	2014-2015 Full-Time Equivalent	2015-2016 Full-Time Equivalent	2016-2017 Full-Time Equivalent	3-Yr. Average Full-Time Equivalent
Avon Grove	3,081,308	3,405,633	324,325	10.5%	154.261	163.362	184.214	167.279
Coatesville	2,630,736	2,874,860	244,124	9.3%	120.750	143.125	159.750	141.208
Downingtown	2,635,656	2,602,050	(33,606)	-1.3%	136.750	123.625	123.050	127.808
Great Valley	808,836	955,163	146,327	18.1%	44.487	42.624	53.637	46.916
Kennett	1,624,037	1,652,784	28,747	1.8%	80.068	78.184	85.294	81.182
Octorara	858,987	941,563	82,576	9.6%	40.010	49.029	49.705	46.248
Owen J. Roberts	1,763,388	1,800,842	37,454	2.1%	92.904	82.524	89.935	88.454
Oxford	2,115,728	2,168,756	53,028	2.5%	103.640	107.522	108.415	106.526
Phoenixville	1,433,206	1,239,469	(193,737)	-13.5%	66.041	66.524	50.077	60.881
Tredyffrin/Easttown	702,725	700,730	(1,995)	-0.3%	36.475	34.075	32.706	34.419
Unionville-Chadds Ford	769,000	692,437	(76,563)	-10.0%	38.606	35.711	27.717	34.011
West Chester	2,722,372	2,755,672	33,300	1.2%	127.018	139.625	139.419	135.354
<b>TOTAL</b>	<b>21,145,979</b>	<b>21,789,959</b>	<b>643,980</b>	<b>3.0%</b>	<b>1,041.010</b>	<b>1,065.930</b>	<b>1,103.919</b>	<b>1070.286</b>

<u>Preliminary 2017-18 Tuition Rate Per FTE</u>	\$	20,359
<u>Preliminary 2017-18 Tuition Rate per half-time equivalent</u>	\$	10,180

Projected Tuition Rate Change from 2016-2017

0.0%



# Items Affecting the 2017-18 Budget

<b>Vocational/Technical Education</b>					
	<u>Voc-Tech Tuition</u>	<u>Change</u>	<u>Mil Value</u>	<u>Mills Required</u>	<b>Cumm Mills Required</b>
<b>2009-10</b>					
<b>2010-11</b>	1,678,894				
<b>2011-12</b>	2,048,143	369,249	1,782,139	0.207	0.207
<b>2012-13</b>	1,985,356	(62,787)	1,779,466	-0.035	0.172
<b>2013-14</b>	1,864,537	(120,819)	1,793,713	-0.067	0.105
<b>2014-15</b>	2,161,801	297,264	1,824,040	0.163	0.268
<b>2015-16</b>	2,710,760	548,959	1,834,935	0.299	0.567
<b>2016-17</b>	3,081,325	370,565	1,846,880	0.201	0.767
<b>2017-18</b>	3,405,633	324,308	1,848,820	0.175	0.943
<b>2018-19</b>	3,746,196	340,563	1,859,490	0.183	1.126
<b>2019-21</b>	4,120,816	374,620	1,870,160	0.200	1.326
<b>Actual</b>					
<b>Estimated</b>					





# Items Affecting the 2017-18 Budget

<b>Charter School Expense History</b>					
	<u>Charter Tuition</u>	<u>Change</u>	<u>Mil Value</u>	<u>Mills Required</u>	<u>Cumm Mills</u>
<b>2009-10</b>					
<b>2010-11</b>	6,371,656				
<b>2011-12</b>	7,210,720	839,064	1,782,139	0.471	0.471
<b>2012-13</b>	7,540,215	329,495	1,779,466	0.185	0.656
<b>2013-14</b>	7,552,242	12,027	1,793,713	0.007	0.663
<b>2014-15</b>	8,244,111	691,869	1,824,040	0.379	1.042
<b>2015-16</b>	9,282,016	1,037,905	1,834,935	0.566	1.608
<b>2016-17</b>	10,347,477	1,065,461	1,846,880	0.577	2.185
<b>2017-18</b>	10,000,000	(347,477)	1,848,820	-0.188	1.997
<b>2018-19</b>	10,014,450	14,450	1,859,490	0.008	2.004
<b>2019-21</b>	9,883,215	(131,235)	1,870,160	-0.070	1.934
<b>Actual</b>					
<b>Estimated</b>					



# Items Affecting the 2017-18 Budget

Charter School Summary										
Without FDK Year	# Students			Tuition Cost Per Student		Total Cost			Cost Differential	
	Regular	Special	Total	Regular	Special	Regular	Special	Grand Total	Annual	Cummulative
2015-2016	676	140	816	8,944	23,074	6,048,077	3,233,938	9,282,016		
2016-2017	700	141	841	9,888	24,297	6,921,600	3,425,877	10,347,477		
2017-2018	700	141	841	10,200	25,315	7,140,000	3,569,415	10,709,415		
2018-2019	700	141	841	11,000	26,000	7,700,000	3,666,000	11,366,000		
2019-2020	700	141	841	11,500	27,000	8,050,000	3,807,000	11,857,000		
2020-2021	700	141	841	12,000	28,000	8,400,000	3,948,000	12,348,000		
2021-2022	700	141	841	12,500	29,000	8,750,000	4,089,000	12,839,000		

With FDK Year	# Students			Tuition Cost Per Student		Total Cost			Cost Differential	
	Regular	Special	Total	Regular	Special	Regular	Special	Grand Total	Annual	Cummulative
2015-2016	676	140	816	8,944	23,074	6,048,077	3,233,938	9,282,016		
2016-2017	700	141	841	9,888	24,297	6,921,600	3,425,877	10,347,477		
2017-2018	650	131	781	10,200	25,315	6,630,612	3,314,746	9,945,358	764,057	764,057
2018-2019	617	124	741	11,000	26,000	6,784,470	3,229,980	10,014,450	1,351,550	2,115,607
2019-2020	583	118	701	11,500	27,000	6,709,905	3,173,310	9,883,215	1,973,785	4,089,392
2020-2021	550	111	661	12,000	28,000	6,602,160	3,102,960	9,705,120	2,642,880	6,732,272
2021-2022	517	104	621	12,500	29,000	6,461,000	3,019,480	9,480,480	3,358,520	10,090,792

2016-17 through 2021-22 Tuition Rates are estimated



# 2017-18 AGSD Debt Service

## Total Principle & Interest

Fiscal Yr. Ended	G.O. Bonds Series of 2012	G.O. Bonds Series A of 2012	G.O. Bonds Series of 2014	G.O. Bonds Series of 2015	Total Issued Debt Service	Current	Long Term
6/30/2016	226,550	360,540	1,575,550	80,699	4,405,026		
6/30/2017	222,650	717,890	1,578,850	752,500	3,271,890	3,271,890	0
6/30/2018	228,650	711,540	1,573,600	756,575	3,270,365		3,270,365
6/30/2019	229,500	710,040	1,576,850	753,600	3,269,990		3,269,990
6/30/2020	220,350	713,290	1,571,400	761,300	3,266,340		3,266,340
6/30/2021	226,150	711,290	1,575,950	762,700	3,276,090		3,276,090
6/30/2022	231,750	714,040	782,750	759,050	2,487,590		2,487,590
6/30/2023	227,250	716,490	0	0	943,740		943,740
6/30/2024	0	713,368	0	0	713,368		713,368
6/30/2025	0	709,554	0	0	709,554		709,554
6/30/2026	0	709,975	0	0	709,975		709,975
6/30/2027	0	714,503	0	0	714,503		714,503
6/30/2028	0	713,284	0	0	713,284		713,284
6/30/2029	0	0	0	0	0		
<b>Total P &amp; I @ 6/30/2015</b>	<b>1,812,850</b>	<b>8,915,803</b>	<b>10,234,950</b>	<b>4,626,424</b>	<b>27,751,714</b>	<b>3,271,890</b>	<b>20,074,798</b>
<b>Less 2015-16 Payments</b>	<b>(226,550)</b>	<b>(360,540)</b>	<b>(1,575,550)</b>	<b>(80,699)</b>	<b>(4,405,026)</b>	<b>0</b>	
<b>As of 6/30/2016</b>	<b>1,586,300</b>	<b>8,555,263</b>	<b>8,659,400</b>	<b>4,545,725</b>	<b>23,346,688</b>	<b>3,271,890</b>	<b>20,074,798</b>



# Major Impact Items Enhancing Educational & Support Programs

## **Strategic Plan Guiding Forward Progress**

- ***Strategic Goal #1: Increase Learning Opportunities for All***
  - FDK **\$755,885**
  
- ***Strategic Goal #2: Develop and Implement a Systems Thinking Approach***
  
- ***Strategic Goal #3: Develop and Establish a Communication and Community Outreach Plan***

**Total Proposed Major Impacts to the General Fund 2017-18 Budget \$755,885**



# 2017-18 Major Impact Items - Detail

## Major Impact

- **Full Day Kindergarten** **\$755,885**
  - **Salaries and Benefits** **\$695,885**
    - Six Teachers
    - One ESL Teacher
    - One Special Education Teacher
    - Three Paraprofessionals
  - **Modular Lease** **\$ 60,000**



# 2017-18 Budget Summary

## Real Estate Taxes

<b>2017-2018 Real Estate Taxes</b>	<b>Current Millage 29.040</b>	<b>Millage 29.330</b>	<b>Millage 29.621</b>	<b>Millage 29.766</b>	<b>Millage 29.911</b>	<b>Index Millage 29.998</b>
<b>Millage % increase</b>		1.00%	2.00%	2.50%	3.00%	3.30%
<b>Assessed Values</b>	\$ 1,906,085,176	\$ 1,906,085,176	\$ 1,906,085,176	\$ 1,906,085,176	\$ 1,906,085,176	\$ 1,906,085,176
<b>Tax Levy on Assessed Values</b>	\$ 55,352,714	\$ 55,906,241	\$ 56,459,768	\$ 56,736,531	\$ 57,013,295	\$ 57,179,353
<b>Budgeted % of Collection</b>	97.00%	97.00%	97.00%	97.00%	97.00%	97.00%
<b>Real Estate Taxes</b>	\$ 53,692,132	\$ 54,229,053	\$ 54,765,975	\$ 55,034,435	\$ 55,302,896	\$ 55,463,972
<b>Revenue Increase</b>		\$ 536,921	\$ 1,073,843	\$ 1,342,303	\$ 1,610,764	\$ 1,771,840

<b>Value of 1 mill</b>	<b>\$ 1,848,903</b>
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# 2017-18 Budget Summary

## Revenue Sources

Local	\$ 59,352,831	
State	\$ 26,953,075	
Federal	\$ 664,869	
<b>Total Revenue Sources</b>		<b>\$ 86,970,775</b>

## Expenditure Uses

Instruction	\$ 59,889,435	
Support Services	\$ 25,146,868	
Community Services	\$ 1,183,331	
Debt Service	\$ 4,830,365	
Fund Transfers	\$ 1,850,000	
Reserves	\$ 900,000	
<b>Total Expenditures</b>		<b>\$ 93,799,999</b>

## **Difference Revenue to Expenditures** \$ 6,829,224

Budgetary Reserve	\$ 900,000
Net Debt @ \$4.5 Million	\$ 1,560,000
Use of Committed Fund Balance (PSERS)	\$ 1,020,389
Use of Assigned Fund Balance (Transfers)	\$ 1,850,000
Use of Unassigned Fund Balance	\$ 1,498,835
<b>Total</b>	<b>\$ 6,829,224</b>

## Revenue Sources Adj's From State Budget Adjusted Budget

Local		\$ 59,352,831
State	\$ 316,217	\$ 27,269,292
Federal		\$ 664,869
<b>Total Revenue</b>		<b>\$ 87,286,992</b>

## Expenditure Uses

Instruction	\$ 59,889,435
Support Services	\$ 25,146,868
Community Services	\$ 1,183,331
Debt Service	\$ 4,830,365
Fund Transfers	\$ 1,850,000
Reserves	\$ 900,000
<b>Total Expenditures</b>	<b>\$ 93,799,999</b>

## **Difference Revenue to Expenditures** \$ 6,513,007

Budgetary Reserve	\$ 900,000
Net Debt @ \$4.5 Million	\$ 1,560,000
Use of Committed Fund Balance (PSERS)	\$ 1,020,389
Use of Assigned Fund Balance (Transfers)	\$ 1,850,000
Use of Unassigned Fund Balance	\$ 1,182,618
<b>Total</b>	<b>\$ 6,513,007</b>

	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018
Millage Rate	26.750	27.499	28.157	29.040	29.7700
Millage Increase	0.0000	0.7490	0.6580	0.8830	0.7300
Percent Increase	0.000%	2.800%	2.393%	3.136%	2.514%
ACT 1 Index	2.300%	2.800%	2.400%	3.200%	3.300%



# 2017-18 Budget Summary

## Fund Balance

	ACTUAL 2015-16	BUDGET- 2016-17	ESTIMATE - 2016-17	BUDGET - 2017-2018
<b><u>GENERAL FUND</u></b>				
Beginning Balance	\$ 27,913,602.00	\$ 26,209,570.00	\$ 26,209,570.00	\$ 23,190,156.00
Surplus/Deficit	\$ (504,032.00)	\$ (4,942,684.24)	\$ (1,419,414.00)	\$ (4,979,224.00)
Transfers to Capital Projects	\$ (1,200,000.00)	\$ (1,600,000.00)	\$ (1,600,000.00)	\$ (1,850,000.00)
<b>Total GF Fund Balance</b>	<b>\$ 26,209,570.00</b>	<b>\$ 19,666,885.76</b>	<b>\$ 23,190,156.00</b>	<b>\$ 16,360,932.00</b>
<b><u>CAPITAL PROJECTS</u></b>				
Beginning Balance	\$ 1,841,993.59	\$ 1,593,975.00	\$ 1,593,975.00	\$ 1,993,975.00
Spending	\$ (1,448,018.59)	\$ (2,388,740.00)	\$ (1,200,000.00)	\$ (1,887,500.00)
Transfers From General Fund	\$ 1,200,000.00	\$ 1,600,000.00	\$ 1,600,000.00	\$ 1,850,000.00
<b>Total CP Fund Balance</b>	<b>\$ 1,593,975.00</b>	<b>\$ 805,235.00</b>	<b>\$ 1,993,975.00</b>	<b>\$ 1,956,475.00</b>
<b>Total Fund Balance Available</b>	<b>\$ 27,803,545.00</b>	<b>\$ 20,472,120.76</b>	<b>\$ 25,184,131.00</b>	<b>\$ 18,317,407.00</b>
<b><u>ALLOCATION OF FUND BALANCE</u></b>				
Restricted (Capital Projects)	\$ 1,593,975.00	\$ 805,235.00	\$ 1,993,975.00	\$ 1,956,475.00
Nonspendable	\$ 409,509.00	\$ 409,509.00	\$ 409,509.00	\$ 409,509.00
Committed (PSERS)	\$ 10,000,000.00	\$ 8,172,000.00	\$ 9,231,672.00	\$ 8,261,283.00
Assigned	\$ 9,088,989.00	\$ 7,488,989.00	\$ 7,488,989.00	\$ 5,638,989.00
Unassigned	\$ 6,711,072.00	\$ 3,596,387.76	\$ 6,059,986.00	\$ 2,051,151.00
<b>Total Fund Balance</b>	<b>\$ 27,803,545.00</b>	<b>\$ 20,472,120.76</b>	<b>\$ 25,184,131.00</b>	<b>\$ 18,317,407.00</b>





# 2017-18 Budget Summary

<b>Proposed Budget Revenue (January 2017)</b>		<b>\$ 85,617,762</b>
Local Revenue - (Delinq R/E, Interest, Rental)	\$ 1,352,091	
State Revenue - (Basic Ed, Special Funding Ed)	\$ 1,053	
Federal - PA ACCESS	\$ (131)	
<b>Subtotal</b>		<b>\$ 1,353,013</b>
<b>Proposed Budget Revenue (March 2017)</b>		<b>\$ 86,970,775</b>
<b>Proposed Budget Use of Fund Balance (January 2017)</b>		<b>\$ 9,204,965</b>
Transfer to Capital Projects	\$ (414,000)	
Use of Committed Fund Balance - PSERS	\$ 50,000	
Use of Unassigned Fund Balance	\$ (2,011,741)	
<b>Subtotal</b>		<b>\$ (2,375,741)</b>
<b>Proposed Use of Fund Balance (March 2017)</b>		<b>\$ 6,829,224</b>
<b>Proposed Budget Expenditures (January 2017)</b>		<b>\$ 94,822,727</b>
Salaries & Benefits (homebound, summer school,)	\$ 72,605	
Salaries & Benefits (Student activities and sports)	\$ 43,406	
Buildings and Grounds	\$ (15,000)	
Misc Other Changes	\$ (19,715)	
Unemployment Compensation	\$ (30,574)	
Tuition to other LEA's	\$ (133,000)	
Technology (Supplies, equipment, travel, software)	\$ (246,450)	
Charter School Tuition	\$ (300,000)	
Capital Projects Transfers	\$ (414,000)	
<b>Subtotal</b>		<b>\$ (1,042,728)</b>
<b>Proposed Budget Expenditures (March 2017)</b>		<b>\$ 93,779,999</b>



# 2017-18 Budget Calendar

March 21, 2017	Finance Committee - 2017-18 Budget - Expenditures
April 18, 2017	Finance Committee - Budget - Capital
April 27, 2017	Proposed Final Budget Adoption
May 16, 2017	Finance Committee - Budget - Work Session
June 6, 2017	Finance Committee - Budget - Work Session
June 8, 2017	Final Adoption