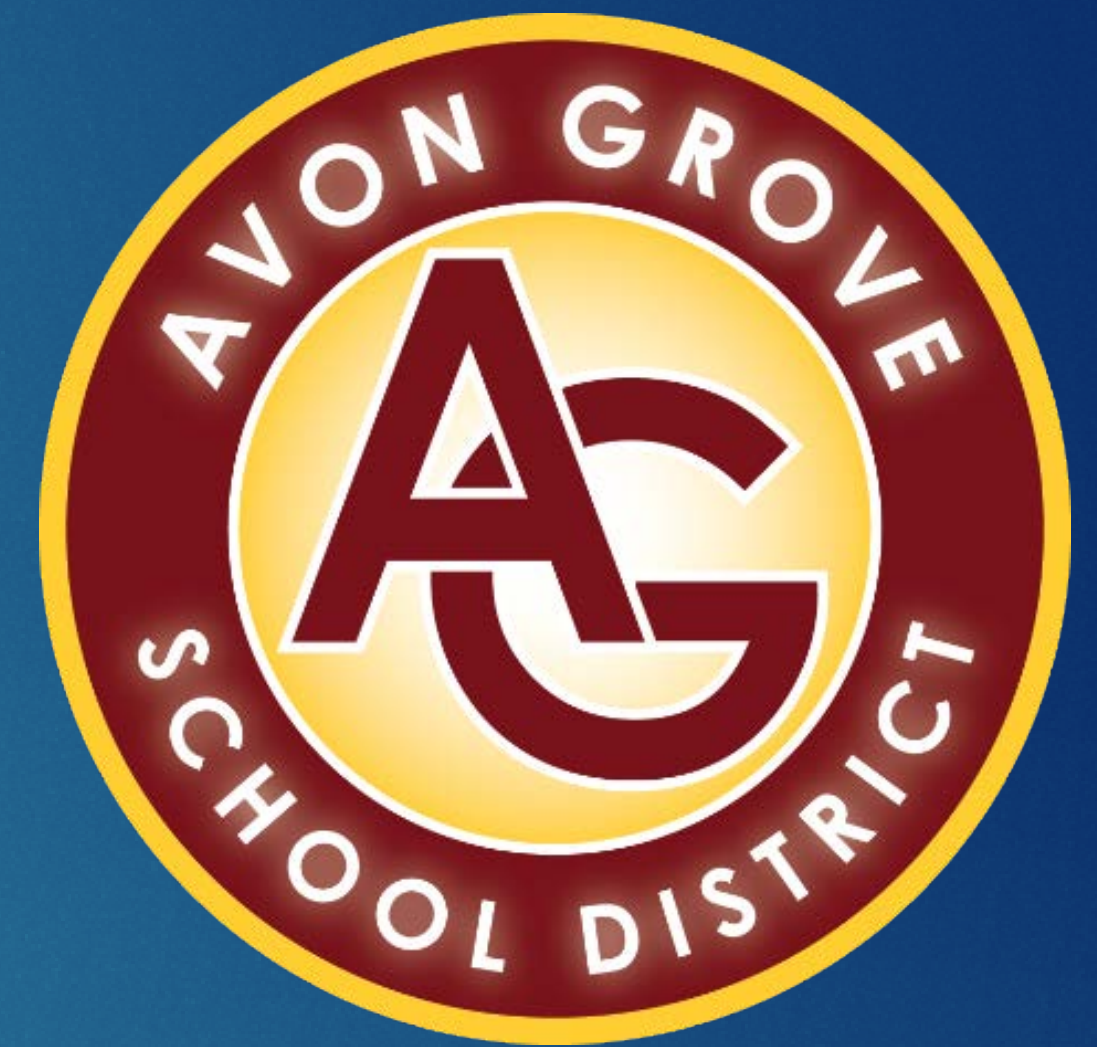

AVON GROVE SCHOOL DISTRICT

2019-20

FINAL BUDGET

May 28, 2019



2019-20 BUDGET

Budget Summary

Major Changes

Review of Topics Covered – January - May

Timeline and Questions

AVON GROVE SCHOOL DISTRICT 2019-20 BUDGET

BUDGET SUMMARY

2019-20 BUDGET SUMMARY

Revenue and Expenditure Analysis

	2018-2019 Budget	April 2019-20 Budget	May Adjustments	Final 2019-20 Budget	19-20 vs 18-19 Budget Variance
Revenues					
Local	\$ 58,914,827	\$ 63,305,370	\$ (2,585,855)	\$ 60,719,515	\$ 1,804,688
State	30,400,253	28,115,905	2,603,760	30,719,665	319,412
Federal	634,000	540,000		540,000	(94,000)
Total Revenues	<u>89,949,080</u>	<u>91,961,275</u>		<u>91,979,180</u>	<u>2,030,100</u>
Expenditures					
Instruction	61,670,101	62,655,755	(731,099)	61,924,656	254,555
Support Services	26,144,555	26,788,674	(358,371)	26,430,303	285,748
Student Activities & Community Service	1,448,636	1,438,589	1,500	1,440,089	(8,547)
Debt Service	4,829,990	4,912,085		4,912,085	82,095
Fund Transfer	1,850,000	1,850,000	602,200	2,452,200	602,200
Budgetary Reserve	960,000	975,000		975,000	15,000
Total Expenditures	<u>96,903,282</u>	<u>98,620,103</u>		<u>98,134,333</u>	<u>1,231,051</u>
Deficiency of Revenues Under Expenditures	<u>\$ (6,954,202)</u>	<u>\$ (6,658,828)</u>		<u>\$ (6,155,153)</u>	<u>\$ 799,049</u>
Fund Balance Usage					
Committed Fund Balance (PSERS)	\$ 1,614,189	\$ 1,590,330		1,590,330	(23,859)
Assigned Fund Balance (transfers)	1,850,000	1,850,000	602,200	2,452,200	602,200
Debt Service Placeholder	1,560,000	-		-	(1,560,000)
Budgetary Reserve	960,000	975,000		975,000	15,000
Unassigned Fund Balance	970,013	2,243,498	(1,105,875)	1,137,623	167,610
Total Use of Fund Balance	<u>\$ 6,954,202</u>	<u>\$ 6,658,828</u>		<u>\$ 6,155,153</u>	<u>\$ (799,049)</u>

2019-20 BUDGET SUMMARY

Revenue and Fund Balance Changes from April Presentation

Proposed Budgeted Revenues (April 2019)		\$ 91,961,275
Homestead/Farmstead allowance calculation:		
Real estate tax revenues - reclassified to State Revenues	\$ (2,673,557)	
State Revenues - reclassified from real estate tax revenues	2,673,557	
Real estate tax revenues - calculation adjustment for Homestead/Farmstead	80,202	
Decrease State transportation subsidy based on estimated reduced costs	(100,000)	
Increase debt service reimbursement estimate for pass-through funds to CCIU	24,820	
Increase energy incentives rebate based on 2018-19 actual estimate	7,500	
Adjust social security and PSERS reimbursements based on other budget effects	6,383	
Decrease student activity fees based on 2018-19 actual estimate	(5,000)	
Increase student fees (field trips, parking, etc.) based on 2018-19 actual estimate	5,000	
Eliminate State vocational education reimbursement	(1,000)	17,905
Final Budgeted Revenues (May 2019)		<u>91,979,180</u>
Proposed Use of Fund Balance (April 2019)		6,658,828
Use of Unassigned Fund Balance:		
Increase in Revenues	(17,905)	
Decrease in Expenditures	(485,770)	(503,675)
Final Use of Fund Balance (May 2019)		<u>\$ 6,155,153</u>

2019-20 BUDGET SUMMARY

Expenditure Changes from April Presentation

Proposed Budgeted Expenditures (April 2019)		\$ 98,620,103
Personnel Costs:		
Savings due to position reallocations and attrition	\$ (719,797)	
Increase medical insurance estimate based on 2018-19 YTD trend	115,000	
Adjustments from 2nd load of contracts and placeholders for vacancies	121,918	
Non-Personnel Costs:		
Decrease legal fees based on 2018-19 estimates	(100,000)	
Increase debt service reimbursement passed through to CCIU	33,000	
Add funding for pollution and cyber crime insurance	26,950	
Increase funds for instructional substitute teachers	22,500	
Reduce postage cost estimate	(20,000)	
Increase allowance for equipment rentals	9,400	
Increase diesel estimate based on 2018-19 projections	8,000	
Increase funds for daytime security officers	6,945	
Increase BVA tuition estimate for projected increase in enrollment	6,900	
Other miscellaneous adjustments	3,414	(485,770)
Final Budgeted Expenditures (May 2019)		<u>\$ 98,134,333</u>

REVENUE COMPARISON – 2018-19 vs 2019-20

Comparison by Function		2018-19 Budget	2019-20 Budget	Variance	% Variance
6100	Real Estate and Other Taxes	\$ 55,643,827	\$ 57,186,815	\$ 1,542,988	2.77%
6400	Delinquent Taxes	1,400,000	1,400,000	-	0.00%
6500	Interest on Investments	500,000	750,000	250,000	50.00%
6700	Admissions and Fees	541,000	550,200	9,200	1.70%
6800	IDEA Pass-through Funds	555,000	550,000	(5,000)	-0.90%
6900	Rentals and Other Revenues	275,000	282,500	7,500	2.73%
7110	Basic Education Subsidy	15,100,000	15,994,725	894,725	5.93%
7271	Special Education Subsidy	2,590,000	2,600,000	10,000	0.39%
7310	Transportation Subsidy	1,950,000	1,900,000	(50,000)	-2.56%
7320	PlanCon Reimbursements and Pass-Thru	487,000	520,000	33,000	6.78%
7330	Health Services Subsidy	106,000	103,000	(3,000)	-2.83%
7340	Homestead/Farmstead Tax Relief	2,673,633	2,673,557	(76)	0.00%
7505	Ready to Learn Block Grant	754,725	-	(754,725)	-100.00%
7810	Social Security Reimbursement	1,241,000	1,264,978	23,978	1.93%
7820	PSERS Reimbursement	5,454,875	5,621,405	166,530	3.05%
7000	Other State Revenues	43,020	42,000	(1,020)	-2.37%
8000	Federal Revenues	634,000	540,000	(94,000)	-14.83%
TOTAL		\$ 89,949,080	\$ 91,979,180	\$ 2,030,100	2.26%

EXPENDITURES COMPARISON – 2018-19 vs 2019-20

Comparison by Function		2018-19 Budget	2019-20 Budget	Variance	% Variance
<u>Instructional Services</u>					
1100	Instruction	\$ 43,428,267	\$ 43,834,376	\$ 406,109	0.94%
1200	Special Programs	14,793,564	14,885,799	92,235	0.62%
1300	Vocational Education Programs	3,351,561	3,105,591	(245,970)	-7.34%
1400	Other Instructional Programs	96,709	94,390	(2,319)	-2.40%
1500	Nonpublic School Programs	-	4,500	4,500	N/A
<u>Support Services</u>					
2100	Support Services - Students	4,151,808	4,513,101	361,293	8.70%
2200	Support Services - Instructional Staff	2,335,428	2,568,390	232,962	9.98%
2300	Support Services - Administration	4,282,065	4,567,800	285,735	6.67%
2400	Support Services - Pupil Health	939,939	960,785	20,846	2.22%
2500	Support Services - Business	865,214	894,637	29,423	3.40%
2600	Operations & Maintenance of Plant	4,035,907	4,082,555	46,648	1.16%
2700	Student Transportation Services	6,396,498	6,655,264	258,766	4.05%
2800	Support Services - Central	2,953,284	1,971,229	(982,055)	-33.25%
2900	Other Support Services	184,412	216,542	32,130	17.42%
3200	Student Activities	1,338,636	1,347,589	8,953	0.67%
3300	Community Services	100,000	75,000	(25,000)	-25.00%
3400	Scholarships and Awards	10,000	17,500	7,500	75.00%
5100	Debt Service	4,829,990	4,912,085	82,095	1.70%
5200	Fund Transfers	1,850,000	2,452,200	602,200	32.55%
5900	Budgetary Reserve	960,000	975,000	15,000	1.56%
TOTAL		\$ 96,903,282	\$ 98,134,333	\$ 1,231,051	1.27%

EXPENDITURES COMPARISON – 2018-19 vs 2019-20

<u>Comparison by Object</u>	<u>2018-19 Budget</u>	<u>2019-20 Budget</u>	<u>Variance</u>	<u>%</u>
Object				
100 - Salaries	\$ 32,722,520	\$ 33,387,440	\$ 664,920	2.03%
200 - Benefits	21,718,993	21,658,178	(60,815)	-0.28%
300 - Professional Services	10,375,924	10,031,333	(344,591)	-3.32%
400 - Repair/Maintenance/Rental	2,072,356	2,140,624	68,268	3.29%
500 - Transportation/Insurance/Tuition	18,081,055	19,402,289	1,321,234	7.31%
600 - Supplies/Books/Software	2,814,178	2,618,569	(195,609)	-6.95%
700 - Capital	922,236	-	(922,236)	-100.00%
800 - Bond Interest/Dues/Fees	911,020	2,463,700	1,552,680	170.43%
900 - Bond Principal	2,915,000	3,005,000	90,000	3.09%
	<u>92,533,282</u>	<u>94,707,133</u>	<u>2,173,851</u>	<u>2.35%</u>
Other				
800 - Recommended Debt Adjustment	1,560,000	-	(1,560,000)	100.00%
800 - Budgetary Reserve	960,000	975,000	15,000	1.56%
900 - Transfers	1,850,000	2,452,200	602,200	32.55%
	<u>4,370,000</u>	<u>3,427,200</u>	<u>(942,800)</u>	<u>-21.57%</u>
Total General Fund Budget	<u>\$ 96,903,282</u>	<u>\$ 98,134,333</u>	<u>\$ 1,231,051</u>	<u>1.27%</u>

AVON GROVE SCHOOL DISTRICT 2019-20 BUDGET

MAJOR CHANGES

MAJOR CHANGES - REVENUES

- ▶ Homestead/Farmstead allocation received from the State on 05/01 - \$2,673,557
 - ▶ Shifted \$2,673,557 from 6111 Real Estate Taxes to 7340 Property Tax Reduction
 - ▶ Real Estate Tax line item increases \$80,202 due to the way Homestead/Farmstead relief is calculated in the 2028:

Assessed value of all properties	\$ 1,912,000,000
Millage Rate	31.61
Real Estate Taxes at Face Value	\$ 60,438,320
Less: Homestead/Farmstead Tax Relief (including value of carryover funds)	\$ (2,673,562)
Estimated Collection Factor	97%
Budgeted Real Estate Taxes	\$ 56,031,815

EFFECT ON MEDIAN TAX BILL

WHAT YOUR TAXES PAY FOR

	2018-19 Millage 30.69	2019- 20 Millage Increase			Total Millage 31.61
		PSERS Millage 0.19	Debt Millage 0.58	Operations Millage 0.15	
Median assessed value	\$ 169,600	\$ 169,600	\$ 169,600	\$ 169,600	\$ 169,600
Less: Homestead/Farmstead assessed value	(10,414)	(10,414)	(10,414)	(10,414)	(10,414)
Net assessed value	159,186	159,186	159,186	159,186	159,186
Real estate tax (face)	<u>\$ 4,885.42</u>	<u>\$ 30.25</u>	<u>\$ 92.33</u>	<u>\$ 23.88</u>	<u>\$ 5,031.87</u>
Total increase from 2018-19					\$ 146.46

MAJOR CHANGES – EXPENDITURES

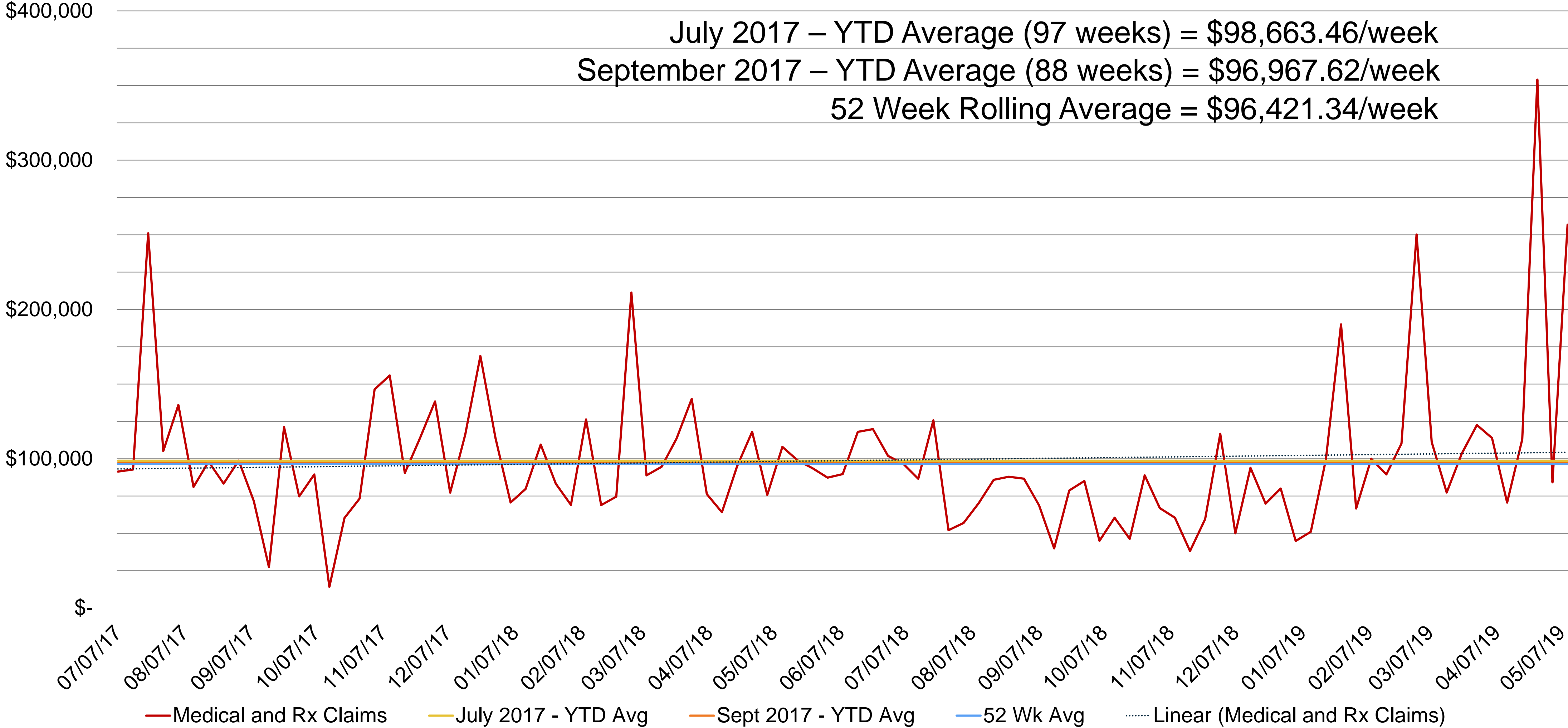
RESTRUCTURING AND ATTRITION

- ▶ Restructuring of positions and attrition generated significant savings:
 - ▶ Support model for teaching and learning objectives was restructured internally to generate significant savings
 - ▶ Attritional savings due to retirements and other resignations estimated based on retirements and resignations communicated through May

Total savings due to restructuring and attrition = **\$719,797**

MAJOR CHANGES – EXPENDITURES

HEALTHCARE TRENDS – JULY 2017 – MAY 2019



AVON GROVE SCHOOL DISTRICT 2019-20 BUDGET

REVIEW OF TOPICS COVERED – JANUARY - MAY

BUDGET TOPICS REVIEWED

Preliminary Budget – 01/15/19

- 2017-18 budget to actual results
- 2016-17 to 2017-18 actual to actual trends
- 2018-19 YTD updates and estimates
- First look at preliminary 2019-20 budget and discussion of major cost and revenue drivers:
 - Salaries and benefits (especially PSERS)
 - Charter tuition
 - Contracted transportation

Revenues – 02/19/19

- Assessment value trends and effect of loss of hospital
- Assessment composition (residential vs. commercial)
- Basic Education subsidy formula
- State subsidy shortfalls compared to charter tuition and PSERS increases
- Governor's Executive Budget 2019-20 and effects for AGSD
 - If approved as proposed, total Basic Education and Special Education subsidies would increase \$369,369
- Debt service reimbursements
- Federal revenues declining due to reduced allocations for AGSD at State level

BUDGET TOPICS REVIEWED

March Expenditures – 03/19/19

- Per-pupil spending and student achievement results
- Departmental budgets – Principals and Directors
- Expenditures overview:
 - Major cost drivers → Salaries and PSERS, charter school tuition, transportation
 - Review of other areas outside main cost drivers
- Major impact items → TransFinder and purchase of a 10 passenger van
- Budget books provided at March meeting

Proposed Final – 04/11/19

- Operations department budgets:
 - Board services and Superintendent
 - Business office
 - Non-departmental expenditures (debt service, transfers, etc.)
 - Facilities and maintenance
 - Transportation (including detailed overview of major impact items)
 - Staff services
- Full-time equivalent comparison – 2013-14 – 2018-19
- Management team comparison – AGSD vs AGCS
- Contracted and other salaries/wages breakdown

2019-20 BUDGET CALENDAR



AVON GROVE SCHOOL DISTRICT 2019-20 BUDGET

QUESTIONS