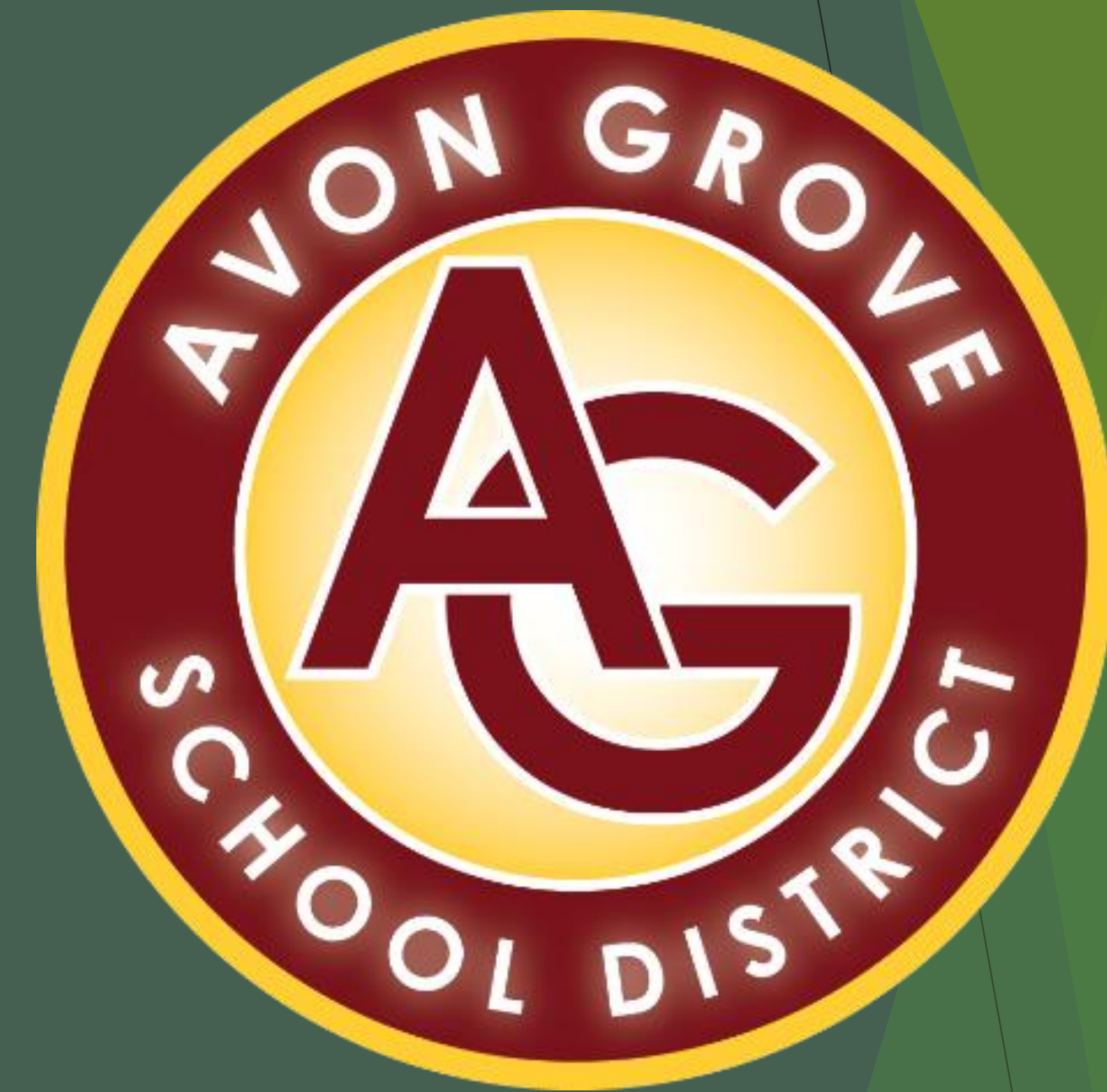

AVON GROVE SCHOOL DISTRICT

2021-22

**REVENUE
ESTIMATE**

February 9, 2021



REVIEW OF REVENUE BUDGET 2021-22

Budget Summary – Revenues and Expenditures

Local Revenues

State Revenues

Federal and Other Revenues

Timeline

2021-22 BUDGET SUMMARY

Changes from Preliminary Budget

Preliminary Budgeted Revenues (January 2021)		\$ 96,265,478
Decrease PlanCon debt service reimbursements based on new estimates	\$ (93,319)	
		(93,319)
Proposed Budgeted Revenues (February 2021)		<u>96,172,159</u>
Proposed Budgeted Expenditures (January 2021)		101,276,837
Decrease debt service due to savings from GOB Series 2021 issuance	(234,879)	
		(234,879)
Proposed Budgeted Expenditures (February 2021)		<u>101,041,958</u>
Preliminary Use of Fund Balance (January 2021)		5,011,359
Use of Unassigned Fund Balance:		
Decrease in Revenues	93,319	
Decrease in Expenditures	\$ (234,879)	(141,560)
Proposed Use of Fund Balance (February 2021)		<u>\$ 4,869,799</u>

Tax Increase - 3.5%

	SUMMARY	2017 - 2018 Actual Revenue / Expenditures	2018 - 2019 Actual Revenue / Expenditures	2019 - 2020 Final Budget Revenue / Expenditures	2020 - 2021 Final Budget Revenue / Expenditures	2020 - 2021 Estimated Revenue / Expenditures	2021 - 2022 Prelim Budget Revenue / Expenditures	\$ Budget / Budget Increase / Decrease	% Budget / Budget Increase / Decrease
	FUND BALANCE APPROPRIATION	\$ -	\$ -	\$ -	\$ 6,063,937	\$ 3,569,909	\$ 4,869,799	\$ (1,194,138)	
	6000 REVENUE FROM LOCAL SOURCES	\$ 56,801,706	\$ 58,463,976	\$ 59,607,747	\$ 61,272,342	\$ 61,037,877	\$ 66,841,772	\$ 5,569,430	9.09%
	7000 REVENUE FROM STATE SOURCES	\$ 31,384,469	\$ 31,041,573	\$ 31,898,838	\$ 31,210,152	\$ 31,322,991	\$ 28,345,247	\$ (2,864,905)	-9.18%
	8000 REVENUE FROM FEDERAL SOURCES	\$ 971,828	\$ 993,809	\$ 762,241	\$ 785,140	\$ 785,140	\$ 985,140	\$ 200,000	25.47%
	9000 REVENUE FROM OTHER SOURCES	\$ 198,961	\$ 16,735	\$ 417	\$ -	\$ 1,133,885	\$ -	\$ -	
	TOTAL REVENUES	\$ 89,356,964	\$ 90,516,093	\$ 92,269,242	\$ 99,331,571	\$ 97,849,802	\$101,041,958	\$ 1,710,387	1.72%
	TOTAL EXPENDITURES	\$ 85,761,953	\$ 87,871,266	\$ 84,212,249	\$ 90,265,897	\$ 88,968,805	\$ 91,466,529	\$ 1,200,632	1.33%
	TOTAL OTHER FINANCING USES	\$ 5,120,365	\$ 5,781,866	\$ 6,891,266	\$ 9,065,674	\$ 8,880,997	\$ 9,575,429	\$ 509,755	5.62%
	TOTAL EXP & OTHER FINANCING USES	\$ 90,882,318	\$ 93,653,132	\$ 91,103,515	\$ 99,331,571	\$ 97,849,802	\$101,041,958	\$ 1,710,387	1.72%
	REVENUE OVER (UNDER) EXPENDITURE	\$ (1,525,354)	\$ (3,137,039)	\$ 1,165,727	\$ -	\$ -	\$ -	\$ -	
	CHESTER COUNTY MILLAGE	29.770	30.6900	31.6100	32.7100	32.7100	33.850		
	MILLAGE INCREASE	2.514%	3.090%	2.998%	3.480%	3.480%	3.485%		
	ACT 1 INDEX	3.30%	3.10%	3.00%	3.50%	3.50%	4.00%		

Notes:

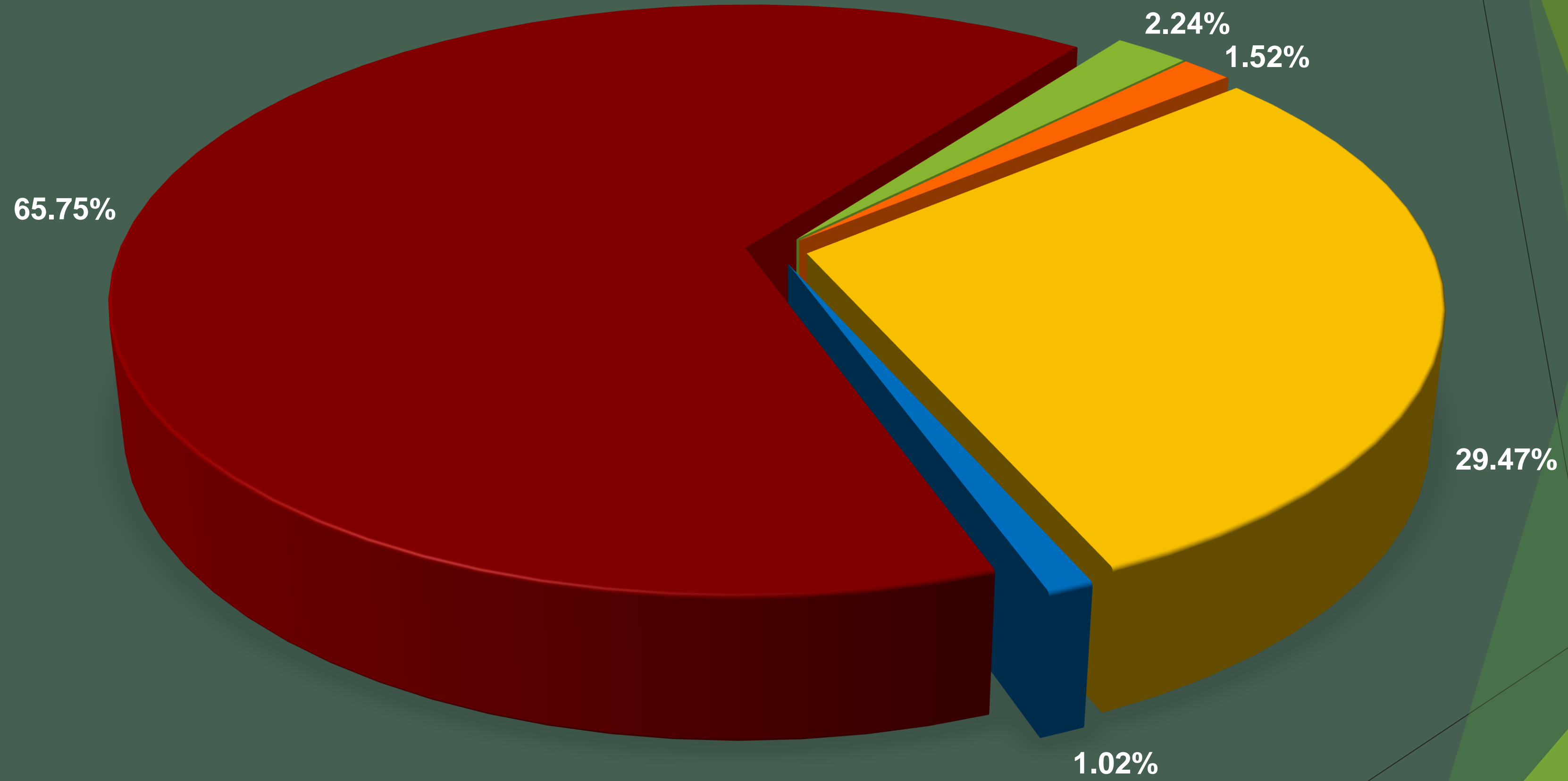
Debt @ recommended level net - \$4.5M (Placeholder)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Budgetary Reserve	\$ -	\$ -	\$ -	\$ 1,960,000	\$ -	\$ 1,000,000
Transfer to Capital Projects	\$ 1,522,850	\$ 1,977,200	\$ 1,192,000	\$ 1,192,000	\$ 1,303,180	
PSERS draw down (Committed Fund Balance)	\$ 1,614,189	\$ -	\$ 1,363,295	\$ 1,363,295	\$ 1,262,695	
General Ops usage (Unassigned Fund Balance)	\$ -	\$ (811,473)	\$ 1,548,642	\$ 1,014,614	\$ 1,303,924	

FUND BALANCES

Tax Increase - 3.5%

SUMMARY	2017 - 2018 Actual	2018 - 2019 Actual	2019 - 2020 Actual	2020 - 2021 Budget	2020 - 2021 Estimated	2021 - 2022 Preliminary Budget	Est. 2020-2021 / Budget 2021- 2022 Increase / Decrease	% Increase / Decrease
FUND BALANCE SUMMARY								
<i>General Fund</i>	\$ 21,717,513	\$ 18,580,474	\$ 19,746,201	\$ 13,682,264	\$ 16,176,292	\$ 11,306,493	\$ (2,375,771)	-17.36%
<i>Capital Projects Fund</i>	\$ 3,156,548	\$ 2,491,200	\$ 3,018,437	\$ 2,419,437	\$ 2,419,437	\$ 2,233,437	\$ (186,000)	-7.69%
<i>Internal Service Fund</i>	\$ 3,353,432	\$ 3,500,000	\$ 3,669,390	\$ 3,500,000	\$ 3,669,390	\$ 3,669,390	\$ 169,390	4.84%
Totals	\$ 28,227,493	\$ 24,571,674	\$ 26,434,028	\$ 19,601,701	\$ 22,265,119	\$ 17,209,320	\$ (2,392,381)	-12.20%
Change	\$ (271,924)	\$ (3,655,819)	\$ 1,862,354	\$ (6,832,327)	\$ 2,663,418	\$ (2,392,381)		

TOTAL REVENUE BY CATEGORY



■ Property Taxes ■ Other Taxes ■ Other Local Revenues ■ State Revenues ■ Federal Revenues

AVON GROVE SCHOOL DISTRICT 2021-22 BUDGET

LOCAL REVENUE

Tax Increase - 3.5%

SUMMARY OF REVENUE FROM LOCAL SOURCES	2017 - 2018 Actual Revenue / Expenditures	2018 - 2019 Actual Revenue / Expenditures	2019 - 2020 Actual Revenue / Expenditures	2020 - 2021 Final Budget Revenue / Expenditures	2020 - 2021 Estimated Revenue / Expenditures	2021 - 2022 Prelim Budget Revenue / Expenditures	Budget / Budget Increase / Decrease	% Budget / Budget Increase / Decrease
6111 CURRENT REAL ESTATE TAXES	\$ 52,224,562	\$ 53,522,076	\$ 55,530,678	\$ 57,567,142	\$ 57,317,564	\$ 62,976,572	\$ 5,409,430	9.40%
6112 CURRENT INTERIM REAL ESTATE TAX	266,890	291,137	231,774	250,000	250,000	250,000	-	0.00%
6113 PUBLIC UTILITY REALTY TAX	53,108	54,238	50,514	50,000	55,113	50,000	-	0.00%
6153 REAL ESTATE TRANSFER TAX	1,035,543	867,285	815,632	650,000	700,000	800,000	150,000	23.08%
6411 DELINQUENT RE TAXES	1,390,054	1,586,323	1,328,294	1,100,000	1,100,000	1,300,000	200,000	18.18%
6510 INTEREST ON INVESTMENT	546,102	863,749	584,867	250,000	250,000	250,000	-	0.00%
6710 ADMISSIONS	52,414	59,547	44,075	60,000	60,000	60,000	-	0.00%
6730 STUDENT ORG MEM DUES	147,175	152,389	119,038	155,000	155,000	130,000	(25,000)	-16.13%
6740 FEES	285,365	296,343	210,362	375,000	335,000	265,000	(110,000)	-29.33%
6750 STUDENT-SPECIAL EVENTS	9,451	42,950	12,344	50,000	50,000	50,000	-	0.00%
6790 OTHER STU ACT INCOME	110	594	525	200	200	200	-	0.00%

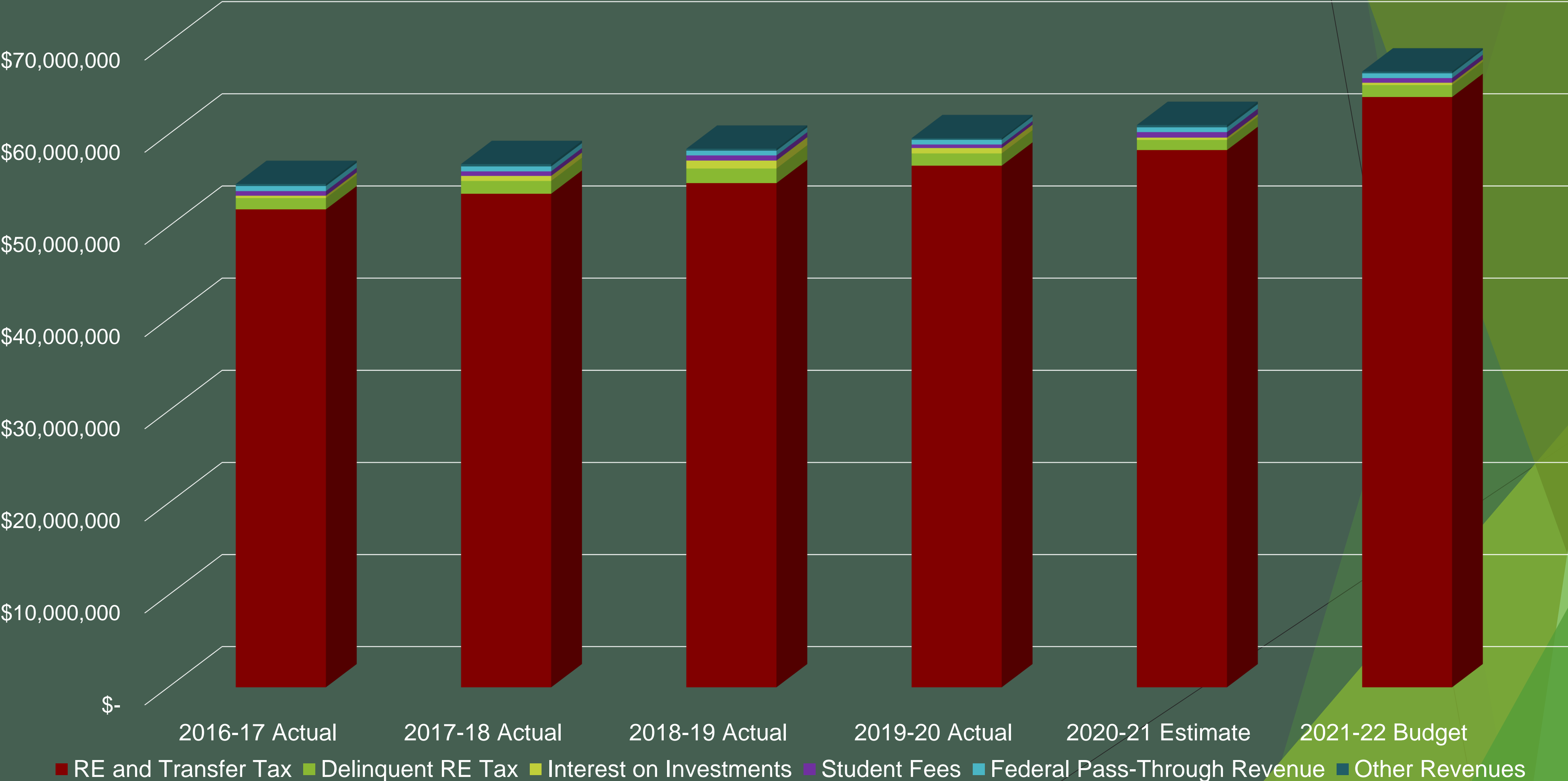
Note: State Homestead/Farmstead funds have not yet been approved as part of the State budget, and are consequently not included as an offset to 6111 Real Estate Tax revenue.

Tax Index - 3.5%

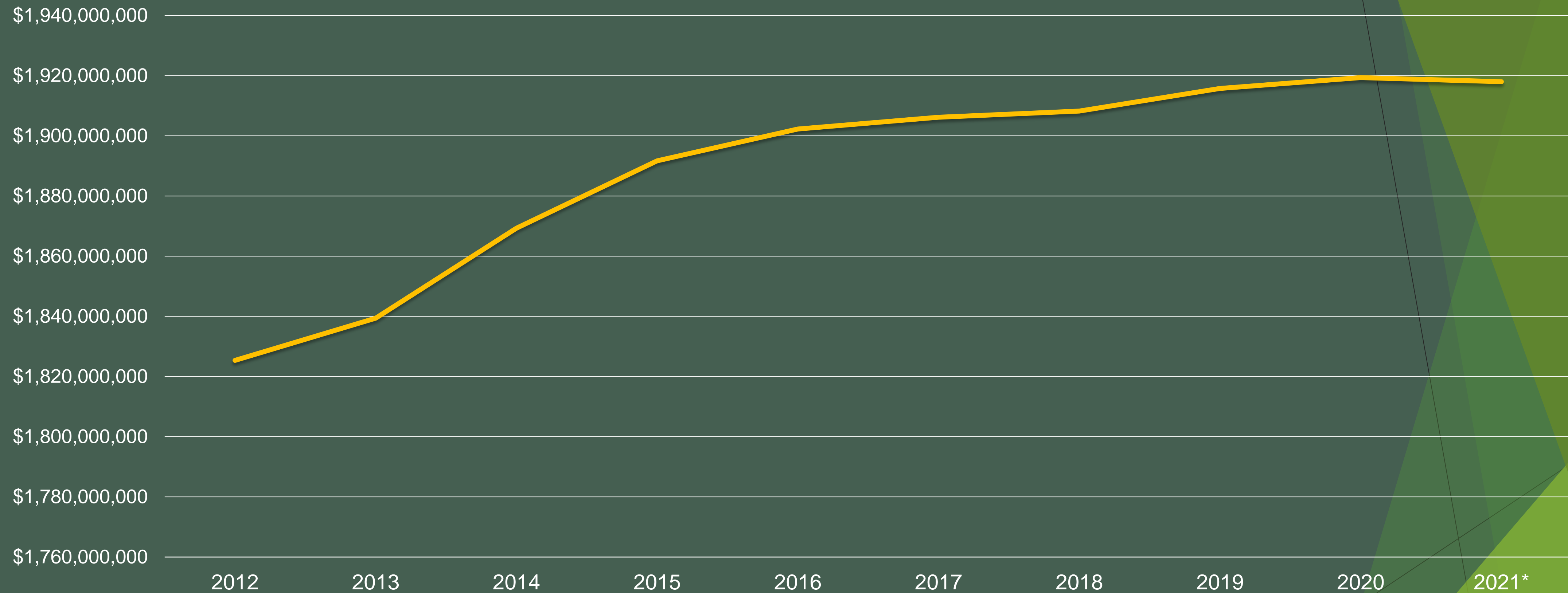
		2017 - 2018	2018 - 2019	2019- 2020	2020 - 2021	2020 - 2021	2021 - 2022	Budget /	% Budget /
		Actual	Actual	Actual	Final Budget	Estimated	Prelim Budget	Budget	Budget
SUMMARY OF REVENUE FROM LOCAL SOURCES		Revenue /	Revenue /	Revenue /	Revenue /	Revenue /	Revenue /	Increase /	Increase /
		Expenditures	Expenditures	Expenditures	Expenditures	Expense	Expenditures	Decrease	Decrease
6831	FED REV RECEIVED OTHER	535,211	516,955	506,843	515,000	515,000	515,000	-	0.00%
6910	RENTAL OF FACILITIES	77,978	68,766	53,074	30,000	30,000	30,000	-	0.00%
6920	CONTRIBUTIONS AND DONATIONS	86,800	55,775	61,800	60,000	60,000	60,000	-	0.00%
6941	TUITION PAYMENT	9,062	16,512	1,075	20,000	20,000	15,000	(5,000)	-25.00%
6990	MISCELLANEOUS REVENUES	36,189	21,174	28,488	100,000	100,000	50,000	(50,000)	-50.00%
6992	ENERGY INCENTIVES	45,692	48,162	28,363	40,000	40,000	40,000	-	0.00%
TOTAL REVENUE FROM LOCAL SOURCES		\$ 56,801,706	\$ 58,463,976	\$ 59,607,747	\$ 61,272,342	\$ 61,037,877	\$ 66,841,772	\$ 5,569,430	9.09%

LOCAL REVENUES BY CATEGORY

FY 2016-17 Actual through FY 2021-22 Budget



10 YEAR HISTORICAL ASSESSMENT VALUES (Including Jennersville Hospital Assessment)

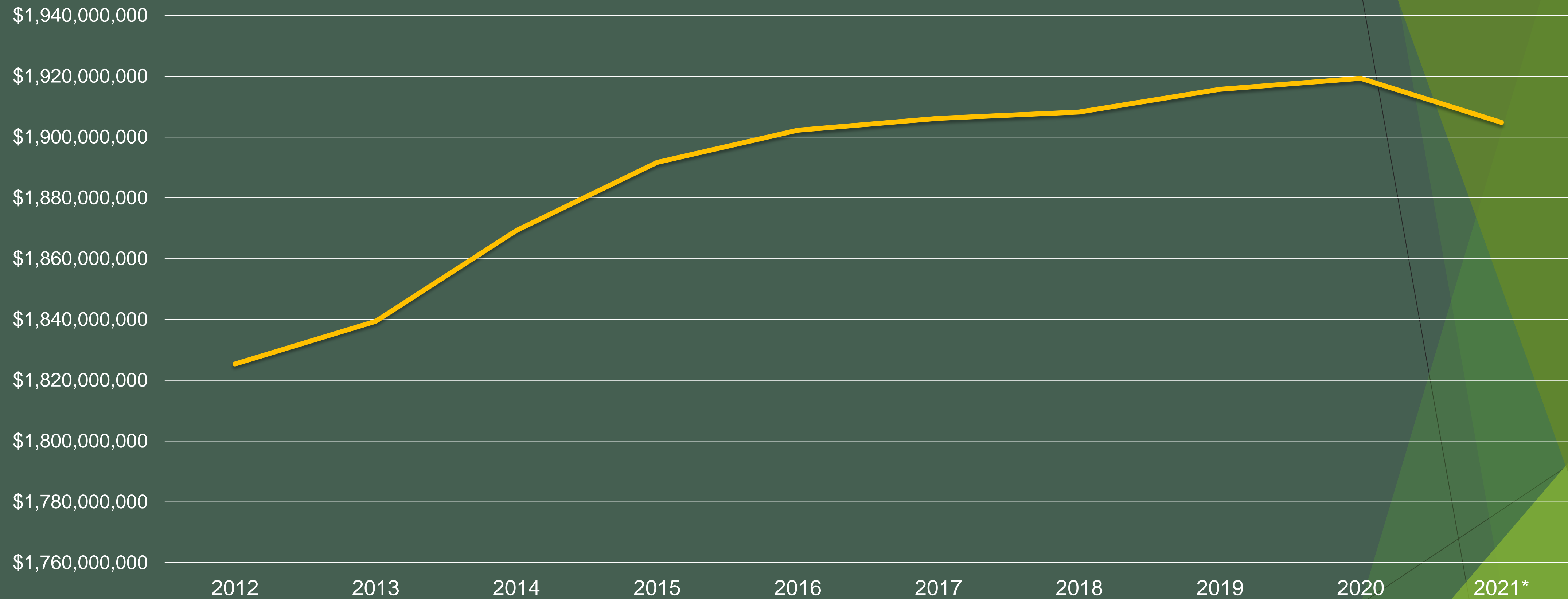


Tax Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*
Total Assessment	1,825,365,257	1,839,399,117	1,869,280,567	1,891,686,467	1,902,271,305	1,906,176,326	1,908,229,456	1,915,731,876	1,919,347,711	1,918,000,000
Annual Change	7,377,745	14,033,860	29,881,450	22,405,900	10,584,838	3,905,021	2,053,130	7,502,420	3,615,835	(1,347,711)
Percentage Change	0.4%	0.8%	1.6%	1.2%	0.6%	0.2%	0.1%	0.4%	0.2%	-0.1%

* - The budgeted 2021 assessment has been projected conservatively to account for future losses from appeals. The certified assessed value from the Assessment Office for 2021 is \$1.923B; the District is reserving approximately \$5 million for appeals. An assessed value of \$1.915B was used for the 2020-21 budget.

10 YEAR HISTORICAL ASSESSMENT VALUES

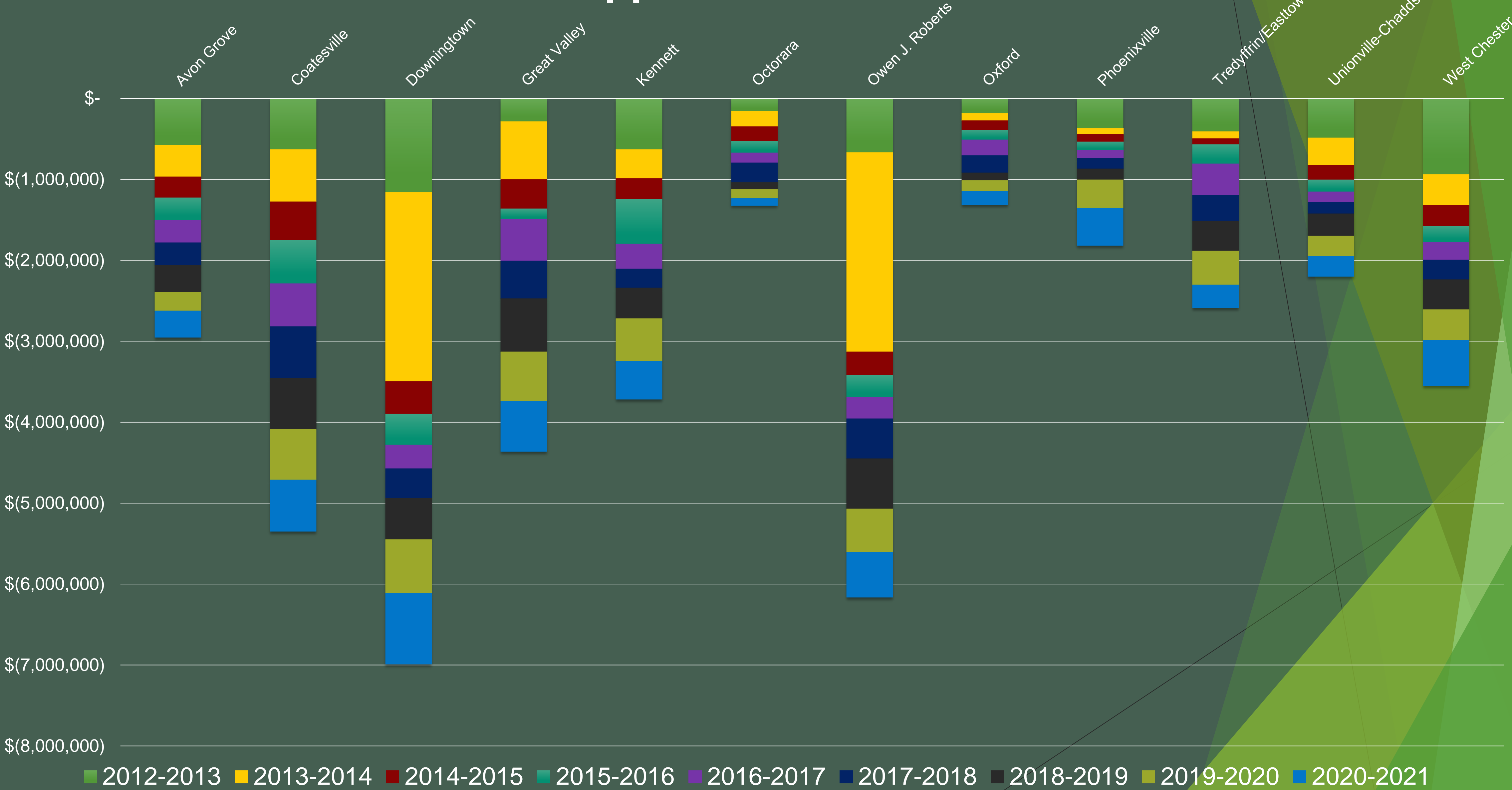
(Assuming Loss of Jennersville Hospital Assessment - \$13,169,260)



Tax Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*
Total Assessment	1,825,365,257	1,839,399,117	1,869,280,567	1,891,686,467	1,902,271,305	1,906,176,326	1,908,229,456	1,915,731,876	1,919,347,711	1,904,830,740
Annual Change	7,377,745	14,033,860	29,881,450	22,405,900	10,584,838	3,905,021	2,053,130	7,502,420	3,615,835	(14,516,971)
Percentage Change	0.4%	0.8%	1.6%	1.2%	0.6%	0.2%	0.1%	0.4%	0.2%	-0.8%

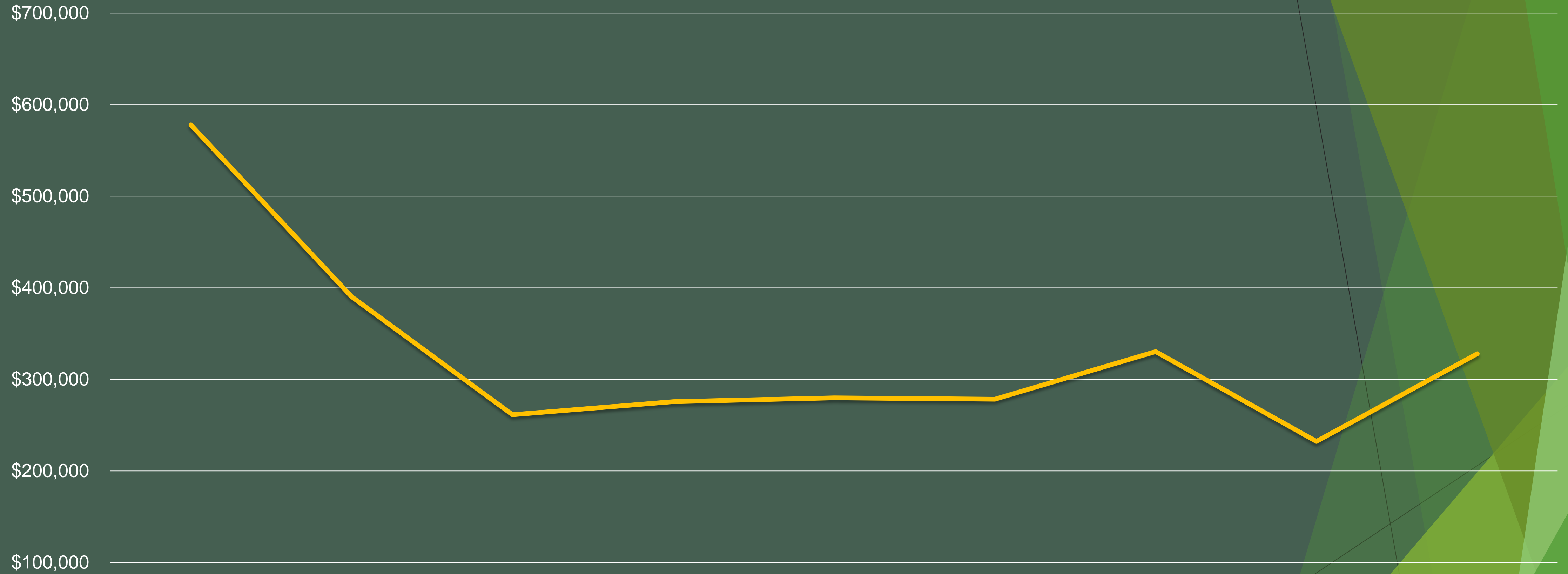
PROPERTY ASSESSMENT APPEALS

Reduction in Revenue from Appeals - FY 2013 to FY 2021



AGSD LOSSES DUE TO ASSESSMENT APPEALS

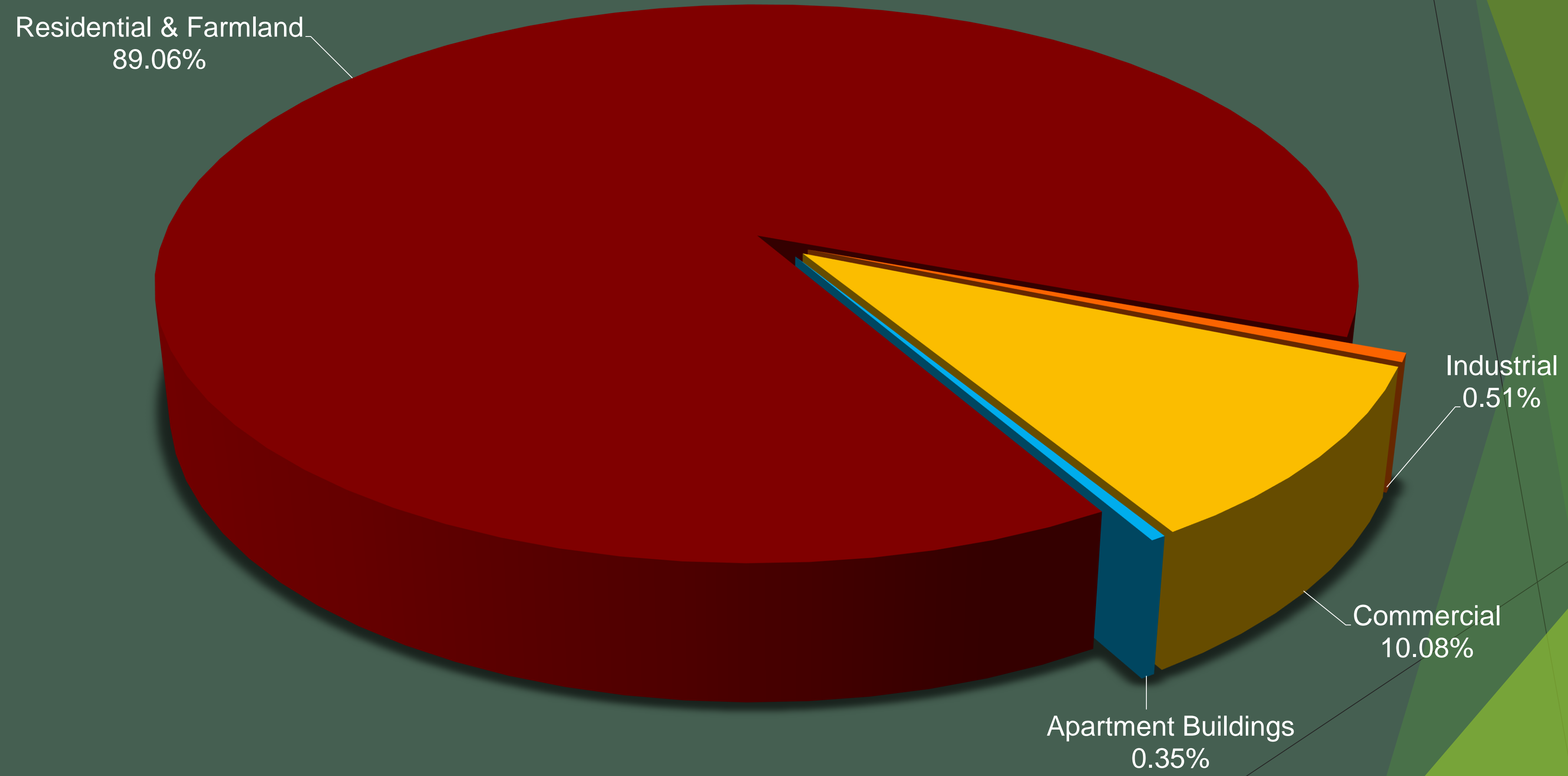
FY 2013 to FY 2021



	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-19	2019-20	2020-2021
Series1	\$577,875	\$390,298	\$261,433	\$275,628	\$279,796	\$278,269	\$330,297	\$232,179	\$327,971

ASSESSMENT COMPOSITION

2020 Tax Duplicate



TAX REVENUE CALCULATION (PDE 2028)

2020-21 Data		
a. Assessed Value	\$1,915,000,000	\$1,915,000,000
b. Real Estate Mills	32.7100	
I. 2021-22 Data		
c. 2019 STEB Market Value	\$2,822,012,783	\$2,822,012,783
d. Assessed Value	\$1,918,000,000	\$1,918,000,000
e. Assessed Value of New Constr/ Renov	\$0	\$0
2020-21 Calculations		
f. 2020-21 Tax Levy (a * b)	\$62,639,650	\$62,639,650
2021-22 Calculations		
g. Percent of Total Market Value	100.00000%	100.00000%
h. Rebalanced 2020-21 Tax Levy (f Total * g)	\$62,639,650	\$62,639,650
i. Base Mills Subject to Index (h / a * 1000) if no reassessment (h / (d-e) * 1000) if reassessment	32.7100	
Calculation of Tax Rates and Levies Generated		
j. Weighted Avg. Collection Percentage	97.00000%	97.00000%
k. Tax Levy Needed (Approx. Tax Levy * g)	\$64,943,479	\$64,943,479
I. 2021-22 Real Estate Tax Rate (k / d * 1000)	33.8500	
III. m. Tax Levy Generated by Mills (I / 1000 * d)	\$64,924,300	\$64,924,300
n. Tax Levy minus Tax Relief for Homestead Exclusions (m - Amount of Tax Relief for Homestead Exclusions)		\$64,924,300
o. Net Tax Revenue Generated By Mills (n * Est. Pct. Collection)		\$62,976,572

2021-22 BUDGET SUMMARY

Effect of Assessed Value, Collection Factor, & Millage Increases

	<u>Current Millage</u>	<u>3.50% Increase</u>
2020-21 STARTING REVENUE:		
2020-21 Budgeted Property Tax Revenue (\$1.915B at 96%) <u>Before Homestead/Farmstead Reduction</u>	\$ 60,134,064	\$ 60,134,064
ADJUSTMENTS:		
Increase due to Increase in Assessed Value (\$1.918B at 96%)	\$ 94,205	\$ 94,205
Increase due to Collection Factor Adjustment - 96% to 97%	\$ 627,378	\$ 627,378
2021-22 Millage Rate	32.710	33.850
Incremental Revenue Increase due to Change in Millage Rate	<u>\$ -</u>	<u>\$ 2,120,925</u>
2021-22 BUDGETED REVENUE:		
Total 2021-22 Budgeted Property Tax Revenue	<u><u>\$ 60,855,647</u></u>	<u><u>\$ 62,976,572</u></u>

BASE ACT 1 INDEX

Formula and Definitions

$$\text{Base Act 1 Index} = \frac{\text{SAWW \% Increase} + \text{ECI \% Increase}}{2}$$

Statewide Average Weekly Wage (SAWW)

That amount determined by the Department of Labor and Industry in the same manner that it determines the average weekly wage under section 404(e)(2) of the act of December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment Compensation Law, except that it shall be calculated for the preceding calendar year.

The Act 1 index is based on the SAWW for the three most recent calendar years.

Employment Cost Index (ECI)

The most recent official figures, for the previous 12-month period beginning July 1 and ending June 30 for the Employment Cost Index Series for Elementary and Secondary Schools, reported by the Bureau of Labor Statistics of the Federal Department of Labor.

ADJUSTED ACT 1 INDEX

Formula and Definitions

If a District's MV/PI aid ratio is greater than 0.4000:

$$\text{Adjusted Act 1 Index} = \text{Base Index} \times (0.75 + MV/PI)$$

Market Value to Personal Income Aid Ratio (MV/PI)

A measure of local wealth that has been used in several education funding formulas for decades. The measure has a scale of 0.15 to 1, and reflects the general wealth of the school district based a school district's total market value and personal income per student in comparison to the state total market value and personal income per student.

A school district with a low MV/PI Aid Ratio is relatively wealthy. A high MV/PI Aid Ratio reflect low local wealth.

AGSD 2020-21 MV/PI Ratio = 0.5798

HISTORICAL ACT 1 INDEX FACTORS

Fiscal Year	SAWW	% Increase SAWW	ECI	% Increase ECI	Base Index	AGSD Adjusted Index
2011-12	\$ 854.55	0.9%	\$ 114.20	1.9%	1.4%	1.8%
2012-13	\$ 857.65	2.1%	\$ 115.70	1.3%	1.7%	2.2%
2013-14	\$ 874.59	2.0%	\$ 117.30	1.4%	1.7%	2.3%
2014-15	\$ 897.74	2.6%	\$ 119.20	1.6%	2.1%	2.8%
2015-16	\$ 919.40	2.4%	\$ 120.90	1.4%	1.9%	2.4%
2016-17	\$ 942.40	2.5%	\$ 123.60	2.2%	2.4%	3.2%
2017-18	\$ 966.87	2.6%	\$ 126.50	2.3%	2.5%	3.3%
2018-19	\$ 988.43	2.2%	\$ 129.80	2.6%	2.4%	3.1%
2019-20	\$ 1,010.43	2.2%	\$ 132.90	2.4%	2.3%	3.0%
2020-21	\$ 1,032.53	2.2%	\$ 136.70	2.9%	2.6%	3.5%
2021-22	\$ 1,064.89	3.1%	\$ 140.60	2.9%	3.0%	4.0%
2022-23	\$ 1,086.34	3.3%				

ESTIMATED based on SAWW for unemployment compensation purposes (07/01/17 - 06/30/20)

PROJECTED ACT 1 INDEX

2022-23

2022-23 Act 1 Estimate:	IFO Projection	U/C SAWW Estimate
SAWW	4.3%	3.3%
ECI	3.2%	3.2%
Base Index	3.75%	3.25%
MV / PI Aid Ratio	0.5798	0.5798
Adjusted Act 1 Index	5.0%	4.3%

NOTE ON IFO SAWW PROJECTIONS:

The significant increase in the SAWW for FY 2022-23 is largely driven by job losses for low-wage workers in CY 2020 due to the COVID-19 pandemic and related mitigation efforts. That trend reverses itself by the end of the forecast period as those low-wage workers are rehired.

Table 3: Act 1 History and Forecast

Fiscal Year	SAWW ¹	ECI ²	Base Index ³	Weighted Index ⁴
2017-18	2.6	2.3	2.5	2.9
2018-19	2.2	2.6	2.4	2.7
2019-20	2.2	2.4	2.3	2.6
2020-21	2.2	2.9	2.6	3.0
2021-22	3.1	2.9	3.0	3.4
2022-23	4.3	3.2	3.7	4.2
2023-24	4.5	3.0	3.7	4.2
2024-25	3.6	3.0	3.3	3.8
2025-26	2.3	3.1	2.7	3.1

1 Statewide Average Weekly Wage.

2 Employment Cost Index.

3 Average of the SAWW and ECI.

4 Average of the index for each school district weighted by property tax collections.

Source: School District Property Tax Forecast,
February 2021
Independent Fiscal Office

EQUALIZED MILLS

Chester County Comparison – 2018-19

Equalized mills are a metric that reflects the relative tax burden in each school district. Equalized mills are determined by dividing a school district's total taxes collected by its total market value. Generally, high equalized mills represent a higher tax burden than low equalized mills.

District	2018-19 Millage Rate	Total Taxes Collected	2018 Market Value	2018-19 Equalized Mills
Octorara Area SD	39.940	\$ 36,440,707	\$ 1,352,056,340	26.9
Coatesville Area SD	36.754	\$ 112,799,629	\$ 4,418,960,609	25.5
Owen J Roberts SD	31.237	\$ 83,698,229	\$ 3,551,110,095	23.5
Phoenixville Area SD	30.520	\$ 72,176,629	\$ 3,364,554,983	21.4
Kennett Consolidated SD	30.448	\$ 66,747,160	\$ 3,119,150,575	21.3
Oxford Area SD	31.148	\$ 37,447,278	\$ 1,761,653,344	21.2
Avon Grove SD	30.690	\$ 56,335,491	\$ 2,813,008,710	20.0
Downingtown Area SD	27.182	\$ 165,363,933	\$ 8,618,457,157	19.1
Unionville-Chadds Ford SD	28.510	\$ 69,035,773	\$ 3,878,574,906	17.7
West Chester Area SD	21.272	\$ 199,555,223	\$ 14,207,175,901	14.0
Great Valley SD	21.295	\$ 85,455,378	\$ 6,379,452,537	13.3
Tredyffrin-Easttown SD	22.981	\$ 115,539,081	\$ 8,941,758,580	12.9

Source: PDE Revenue Data for School Districts, 2018-19

NEW HOME PERMITS - 2020

Township / Borough	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Avondale Borough	0	0	0	0	0	0	0	0	0	0	0	0	0
Franklin	1	0	0	1	0	0	0	0	0	0	1	0	3
London Britain	0	1	1	0	1	1	0	0	**	**	**	**	4
London Grove	4	1	4	1	6	2	3	2	3	1	1	5	33
New London	1	0	2	0	0	0	0	0	0	0	0	0	5
Penn	1	8	5	0	0	0	4	2	0	0	0	5	25
West Grove Borough	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	7	10	12	2	7	3	7	4	3	1	2	10	70

** - data has not yet been received from the Township

AVON GROVE SCHOOL DISTRICT 2021-22 BUDGET

STATE REVENUE

		2017 - 2018 Actual Revenue / Expenditures	2018 - 2019 Actual Revenue / Expenditures	2019 - 2020 Actual Revenue / Expenditures	2020 - 2021 Final Budget Revenue / Expenditures	2020 - 2021 Estimated Revenue / Expense	2021 - 2022 Prelim Budget Revenue / Expenditures	Budget / Budget Increase / Decrease	% Budget / Budget Increase / Decrease
SUMMARY OF REVENUE FROM STATE SOURCES									
7110	BASIC INSTRUCTIONAL SUBSIDY	\$ 15,107,703	\$ 15,240,089	\$ 15,484,573	\$ 15,484,635	\$ 15,484,635	\$ 15,484,635	\$ -	0.00%
7160	TUITION	56,734	11,669	23,077	20,000	20,000	20,000	-	0.00%
7250	MIGRATORY CHILDREN	1,423	596	1,938	2,000	2,000	2,000	-	0.00%
7271	SPECIAL EDUCATION	2,709,678	2,588,908	2,848,728	2,719,872	2,719,872	2,714,942	(4,930)	-0.18%
7310	TRANSPORTATION	2,180,445	1,812,562	2,099,787	1,750,000	1,500,000	1,500,000	(250,000)	-14.29%
7320	RENTAL AND SINKING FUND PAYMENTS	945,992	528,513	488,416	537,652	537,652	444,333	(93,319)	-17.36%
7330	HEALTH SERVICES	102,588	103,455	105,215	103,000	103,000	103,000	-	0.00%
7340	PROPERTY TAX REDUCTION	2,673,633	2,673,653	2,673,557	2,673,877	2,673,877	-	(2,673,877)	-100.00%
7360	SAFE SCHOOLS	-	9,926	20,654	-	-	-	-	N/A
7505	READY TO LEARN GRANT	754,726	754,726	754,726	754,726	754,726	754,726	-	0.00%
7599	ADDITIONAL GRANTS	-	-	17,748	40,000	40,000	40,000	-	0.00%
7810	SOCIAL SECURITY REIMBURSEMENT	1,267,921	1,327,299	1,209,947	1,287,229	1,287,229	1,301,859	14,630	1.14%
7820	RETIREMENT REIMBURSEMENT	5,583,627	5,990,177	6,170,472	5,837,161	6,200,000	5,979,752	142,591	2.44%
TOTAL REVENUE FROM STATE SOURCES		\$ 31,384,469	\$ 31,041,573	\$ 31,898,838	\$ 31,210,152	\$ 31,322,991	\$ 28,345,247	\$ (2,864,905)	-9.18%

Note: State Homestead/Farmstead funds have not yet been approved as part of the State budget, and are consequently not included as an offset to 6111 Real Estate Tax revenue.

DEPARTMENT OF EDUCATION

SUMMARY OF STATE APPROPRIATIONS FY 2021-22

Governor's Executive Budget presented February 3, 2021

GRANTS AND SUBSIDIES	Actual 2019-20	Available 2020-21	Governor's Budget 2021-22	Increase 21-22 Budget vs 20-21	% Increase
SUPPORT OF PUBLIC SCHOOLS					
Basic Education Funding	\$ 6,742,838	\$ 6,810,389	\$ 8,133,774	\$ 1,323,385	16.27%
School Employees' Social Security (part of BEF)	64,568	73,643	70,593	(3,050)	-4.32%
School Employees' Retirement	2,628,000	2,702,000	2,734,000	32,000	1.17%
Special Education	1,186,815	1,186,815	1,386,815	200,000	14.42%
Pupil Transportation	706,097	605,765	622,408	16,643	2.67%
Early Intervention	314,500	325,500	336,500	11,000	3.27%
Ready to Learn Block Grant	268,000	268,000	268,000	-	0.00%
Pre-K Counts	217,284	217,284	242,284	25,000	10.32%
Authority Rentals and Sinking Fund Requirements	10,500	10,500	201,303	190,803	94.78%
Special Education - Approved Private Schools	114,738	122,656	122,656	-	0.00%
Career and Technical Education	99,000	99,000	99,000	-	0.00%
Nonpublic & Charter School Pupil Transportation	79,442	79,442	79,442	-	0.00%
School Food Services	30,000	30,000	30,000	-	0.00%
Other Programs	195,831	198,541	200,274	1,733	0.87%
TOTAL - SUPPORT OF PUBLIC SCHOOLS	\$ 12,657,613	\$ 12,729,535	\$ 14,527,049	\$ 1,797,514	12.37%

(Dollar Amounts Presented in Thousands)

WHAT THE GOVERNOR'S BUDGET DOES FOR AGSD

BASIC AND SPECIAL EDUCATION SUBSIDIES

Basic Education Funding
2021-22 proposed increase over the 2020-21 available

\$313,682

Special Education Funding
2021-22 proposed increase over the 2020-21 available

\$529,888

Total Increase in BEF and SEF Funds

\$843,570

FAIR FUNDING FORMULA ADJUSTMENT

\$1.15B ALLOCATED FOR FAIR FUNDING

School District	2021-22 Formula Distribution	2021-22 Fair Funding Adjustment	2021-22 Total BEF
Avon Grove SD	9,810,513	5,674,061	15,484,574
Coatesville Area SD	22,263,583	3,574,462	25,838,045
Downingtown Area SD	15,267,768	-	15,267,768
Great Valley SD	4,852,452	-	4,852,452
Kennett Consolidated SD	8,752,933	-	8,752,933
Octorara Area SD	7,179,023	-	7,179,023
Owen J Roberts SD	8,712,200	-	8,712,200
Oxford Area SD	11,355,417	1,741,673	13,097,090
Phoenixville Area SD	8,130,936	-	8,130,936
Tredyffrin-Easttown SD	5,769,512	-	5,769,512
Unionville-Chadds Ford SD	3,574,952	-	3,574,952
West Chester Area SD	15,862,341	-	15,862,341

(Dollar Amounts Presented in Thousands)

Governor's proposed budget would run ALL BEF funds through the Fair Funding Formula

Currently, only ~11% of total BEF subsidies are allocated based on the formula

\$1.15B has been earmarked to ensure districts are not negatively affected by the change (funded by increase in PIT)

WHAT THE GOVERNOR'S BUDGET DOES FOR AGSD CHARTER SCHOOL REFORM

Charter School Funding Reform

Calls for comprehensive charter school reform, estimated to save **\$229MM annually** statewide:

- Apply the special education formula to all charter schools (replacing existing special education tuition rate calculation) → estimated savings = **\$99MM annually** statewide
- Establish a statewide cyber charter tuition rate capping regular education tuition rate at \$9,500 per student/year → estimated savings = **\$130MM annually** statewide
- AGSD current regular education tuition rate = \$11,499.48 per student/year
- PDE 363 assumes a 16% special education population – AGSD has a lower special education population than 16%, resulting in a loss for AGSD

School District	County	Special Education Funding Reform	Cyber Charter Tuition Rate Reform	Overall Savings/ Overall Loss
Avon Grove SD	Chester	\$ (333,609.15)	\$ (19,573.07)	\$ (353,182.22)

Source: PDE Comprehensive Charter School Law Reform Savings

Note: PDE's estimate of savings/loss is based on 2018-19 AFR data, and uses the pre-March 2018 guidance for the calculation of charter tuition rates based on actual costs

WHAT THE GOVERNOR'S BUDGET DOES FOR AGSD

OTHER HIGHLIGHTS

Other Budget Highlights:

- Introduces a progressive state tax:
 - Reduces taxes for individuals and families earning less than specified thresholds
 - Raises the personal income tax rate from 3.07% to 4.49%
- Raises minimum teacher salary to \$45,000 (does not affect AGSD)
- Raises minimum wage to \$12/hour beginning July 1, 2021, with incremental increases to reach \$15/hour by 2027 (**does** affect AGSD in future years)
- Increases PlanCon funding by \$190.8MM
- Level or minimal increases in funding for the transportation subsidy and Ready to Learn Block Grant
- Expands the Redevelopment Assistance Capital Program (RACP) by \$1B (funded through bond issuances), and allows public school districts to apply for funds to defray costs for lead and asbestos remediation projects
- Creates a Back to Work PA program to provide re-employment assistance and other aid to workers affected by the COVID-19 pandemic

STATE REVENUE

Rental and Sinking Fund Reimbursement Summary

<u>General Obligation Bonds</u>	<u>2021-22 Debt Service</u>	<u>Reimbursable Percentage</u>	<u>MV Aid Ratio</u>	<u>2021-22 Reimbursement</u>
Series 2012	\$ 231,750	19.35%	0.5798	\$ 26,000
Series 2014	782,750	24.93%	0.5798	113,142
Series 2015	759,050	27.31%	0.5798	120,191
Series 2018	2,327,769	???	0.5798	-
Series 2021A (New Money)	1,967,637	???	0.5798	-
Series 2021B (Hedge Term)	521,468	N/A	0.5798	-
Series 2021C (2012A Refinance)	681,825	N/A	0.5798	-
	<u>\$ 7,272,249</u>			<u>259,333</u>
Plus: pass-through funds to IU for TCHS and other joint ventures (estimated)				<u>185,000</u>
Total Rental and Sinking Fund Reimbursement				<u><u>\$ 444,333</u></u>

AVON GROVE SCHOOL DISTRICT 2021-22 BUDGET

FEDERAL & OTHER REVENUE

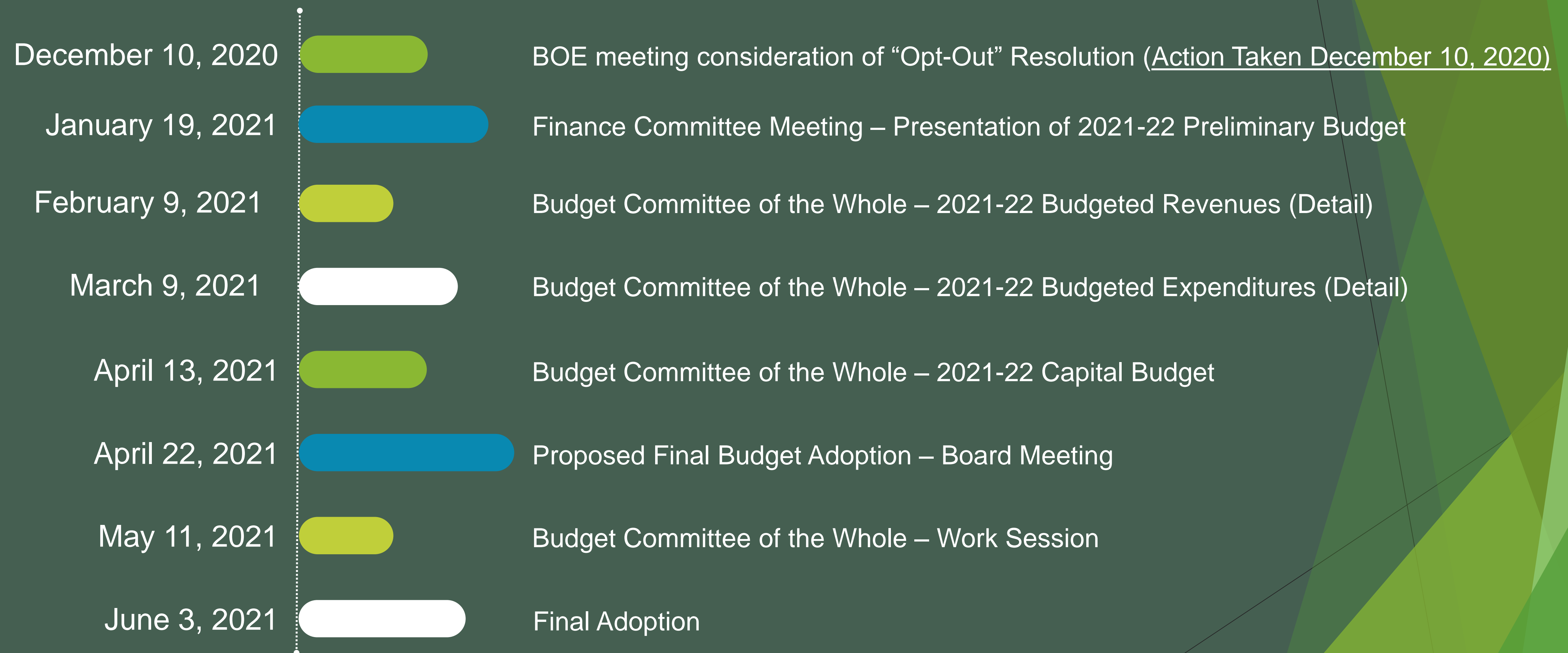
		2017 - 2018 Actual Revenue / Expenditures	2018 - 2019 Actual Revenue / Expenditures	2019 - 2020 Actual Revenue / Expenditures	2020 - 2021 Final Budget Revenue / Expenditures	2020 - 2021 Estimated Revenue / Expense	2021 - 2022 Prelim Budget Revenue / Expenditures	Budget / Budget Increase / Decrease	% Budget / Budget Increase / Decrease
SUMMARY OF REVENUE FROM FEDERAL SOURCES									
8514	NCLB, TITLE I - IMPROVEMENT	\$ 294,337	\$ 276,179	\$ 223,555	\$ 475,152	\$ 475,152	\$ 475,152	\$ - 0.00%	
8515	NCLB, TITLE II - HQ TCHRS/PRINP.	100,209	96,400	76,655	107,683	107,683	107,683	- 0.00%	
8516	NCLB, TITLE III - ESL	100,492	83,503	79,180	85,000	85,000	85,000	- 0.00%	
8517	TITLE IV - SAFE SCHOOLS	-	22,145	22,682	17,305	17,305	17,305	- 0.00%	
8690	OTHER FEDERAL REVENUES	-	-	39,033	-	-	-	- N/A	
8810	MEDICAL ASSISTANCE (ACCESS)	476,791	515,583	321,137	100,000	100,000	300,000	200,000 200.00%	
TOTAL REVENUES FROM FEDERAL SOURCES		\$ 971,828	\$ 993,809	\$ 762,242	\$ 785,140	\$ 785,140	\$ 985,140	\$ 200,000 25.47%	
SUMMARY OF REVENUE FROM OTHER SOURCES		2017 - 2018 Actual Revenue / Expenditures	2018 - 2019 Actual Revenue / Expenditures	2019 - 2020 Actual Revenue / Expenditures	2020 - 2021 Final Budget Revenue / Expenditures	2020 - 2021 Estimated Revenue / Expense	2021 - 2022 Prelim Budget Revenue / Expenditures	Budget / Budget Increase / Decrease	% Budget / Budget Increase / Decrease
9400	SALE OF FIXED ASSETS	\$ 198,961	\$ 16,735	\$ 417	\$ -	\$ -	\$ -	\$ - N/A	
9990	INSURANCE RECOVERIES	-	-	-	-	-	-	- N/A	
TOTAL REVENUES FROM OTHER SOURCES		\$ 198,961	\$ 16,735	\$ 417	\$ -	\$ -	\$ -	\$ - N/A	

Note: Federal revenues and expenditures are budgeted in equal amounts; therefore, fluctuations in federal revenues do not impact Fund Balance.

AVON GROVE SCHOOL DISTRICT 2021-22 BUDGET

TIMELINE

2021-22 BUDGET CALENDAR



AVON GROVE SCHOOL DISTRICT 2021-22 BUDGET

QUESTIONS