

LEHIGHTON AREA SCHOOL DISTRICT

Draft Budget Presentation

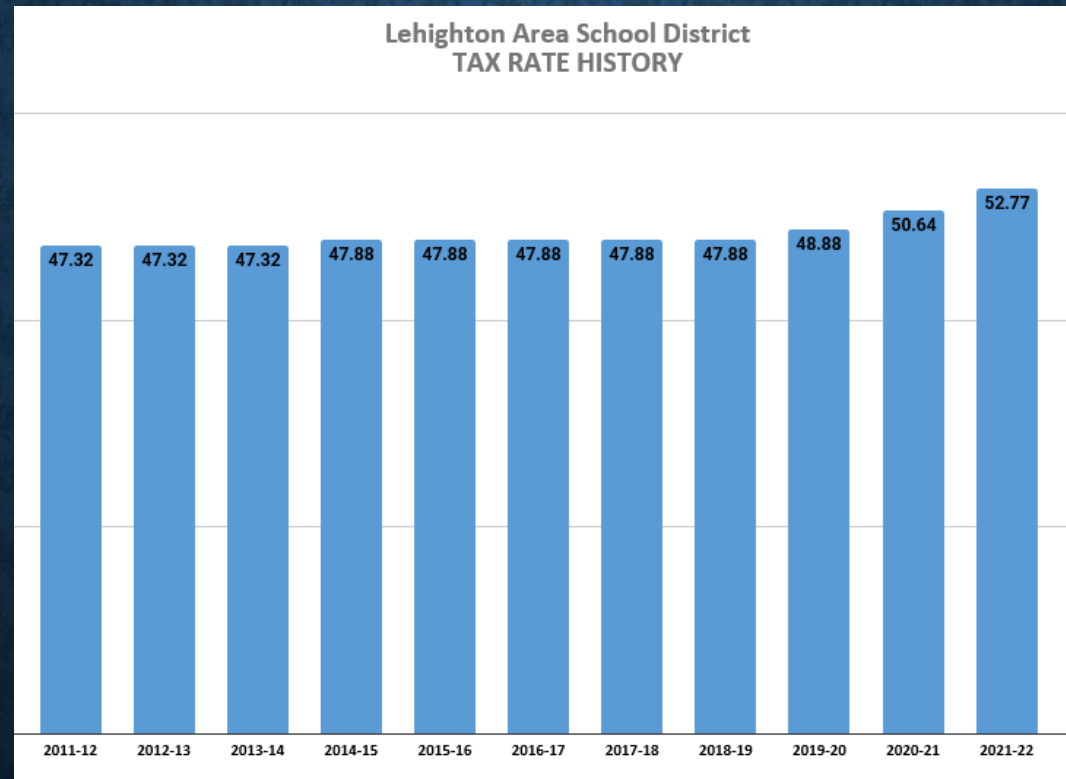


BUDGETARY NOTATIONS

- Act I index of 4.2% was utilized in generation of the Information provided
- ESSER II funds are allocated at 62.5% for the 21-22 School Year
- State Funding is presumed flat consistent with guidance from PASBO
- 93% Collection of Estimated local Property Tax Revenue
- Other Federal Funding sources are Reduced based on spring guidance from PDE
- Expenditure data compiled using 2015-2020 AFR, 20-21 current spending, as well data collection from key departments/individuals within the district.



TAX RATE HISTORY



LOST REVENUE

TAX INCREASES NEVER PASSED ARE NEVER RECOVERABLE

YEAR	RATE	% INCREASE	ACT 1 INDEX	REVENUE LOST
2011-12	47.32	0.0%	1.9%	\$3,094,650.00
2012-13	47.32	0.0%	2.3%	\$2,953,986.00
2013-14	47.32	0.0%	2.3%	\$2,531,988.00
2014-15	47.88	1.2%	2.8%	\$1,484,805.00
2015-16	47.88	0.0%	2.6%	\$1,938,064.00
2016-17	47.88	0.0%	3.3%	\$1,852,101.00
2017-18	47.88	0.0%	3.4%	\$1,265,994.00
2018-19	47.88	0.0%	3.3%	\$789,292.00
2019-20	48.88	2.1%	3.2%	
2020-21	50.64	3.6%	3.6%	
2021-22	52.77	4.2%	4.2%	

7	2010	\$381,227,735
8	2011	\$387,340,619
9	2012	\$390,738,852
10	2013	\$391,204,323
11	2014	\$390,983,185
12	2015	\$391,575,021
13	2016	\$391,249,940
14	2017	\$390,474,345
15	2018	\$391,230,839
16	2019	\$390,828,977

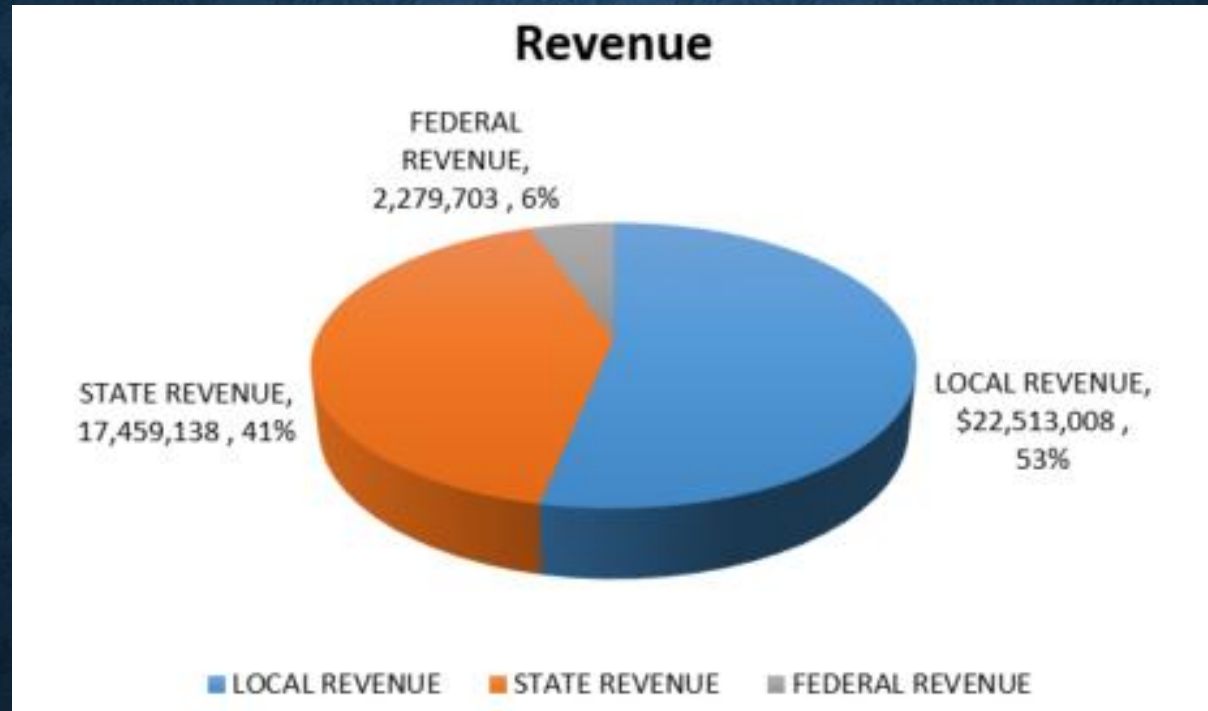


FUND BALANCE

YEAR	REVENUE	EXPENDITURE	FUND BALANCE USE	ACTUAL or ESTIMATED ENDING FUND BALANCE	AUDIT ADJUSTMENT
2011-12	BEGINNING FUND BALANCE		\$ 12,950,556		
2012-13	\$ 35,802,797	\$ 34,885,850	\$ 916,947	\$ 13,867,503	
2013-14	\$ 35,548,158	\$ 36,642,851	\$ (1,094,693)	\$ 12,772,810	
2014-15	\$ 38,663,581	\$ 37,165,886	\$ 1,497,695	\$ 14,270,505	
2015-16	\$ 37,156,587	\$ 44,006,477	\$ (6,849,890)	\$ 7,420,615	
2016-17	\$ 40,578,311	\$ 41,478,220	\$ (899,909)	\$ 6,520,706	
2017-18	\$ 40,556,193	\$ 42,857,517	\$ (2,301,324)	\$ 2,650,956	\$1,601,675.00
2018-19	\$ 42,125,218	\$ 43,901,736	\$ (1,776,518)	\$ 874,438	
2019-20	\$ 42,359,862	\$ 42,249,095	\$ 110,767	\$ 985,205	
2020-21			\$ -	\$ 985,205	



21-22 BUDGETARY REVENUE



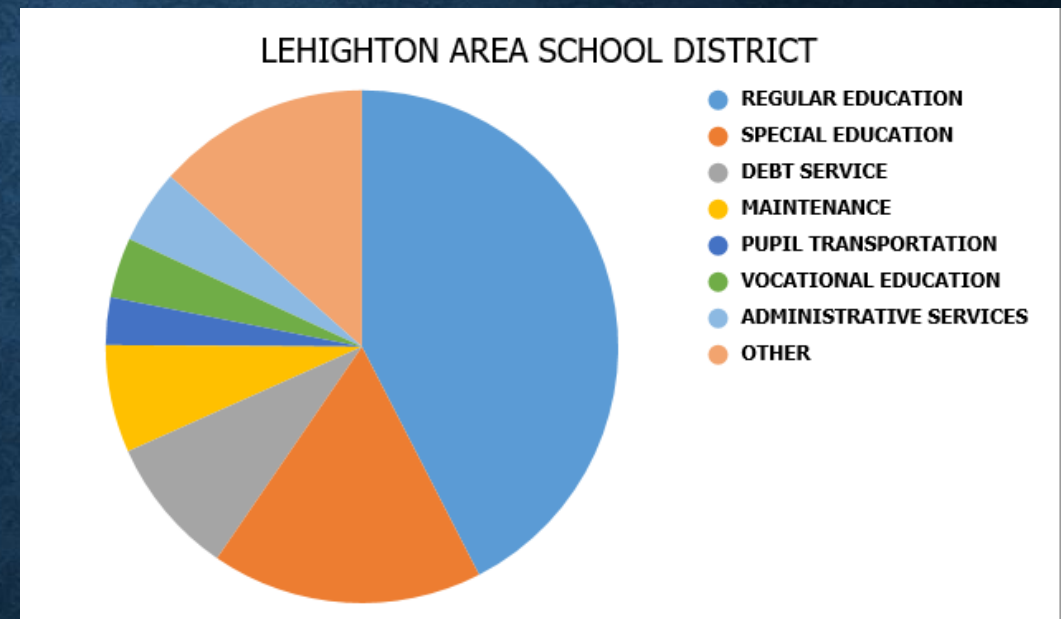
REVENUE BREAKDOWN

FUNCTION	REVENUE	19-20 AFR Data	BUDGET 2020-21	BUDGET 2021-22	BUDGET % 2021-22
6000	LOCAL REVENUE	\$ 23,130,254	\$ 22,284,882	\$ 22,603,008	53.35%
7000	STATE REVENUE	17,631,396	17,562,690	17,480,888	41.26%
8000	FEDERAL REVENUE	777,641	820,696	2,279,703	5.38%
	TOTAL REVENUE	\$ 41,539,291	\$ 40,668,268	\$ 42,363,599	100.00%



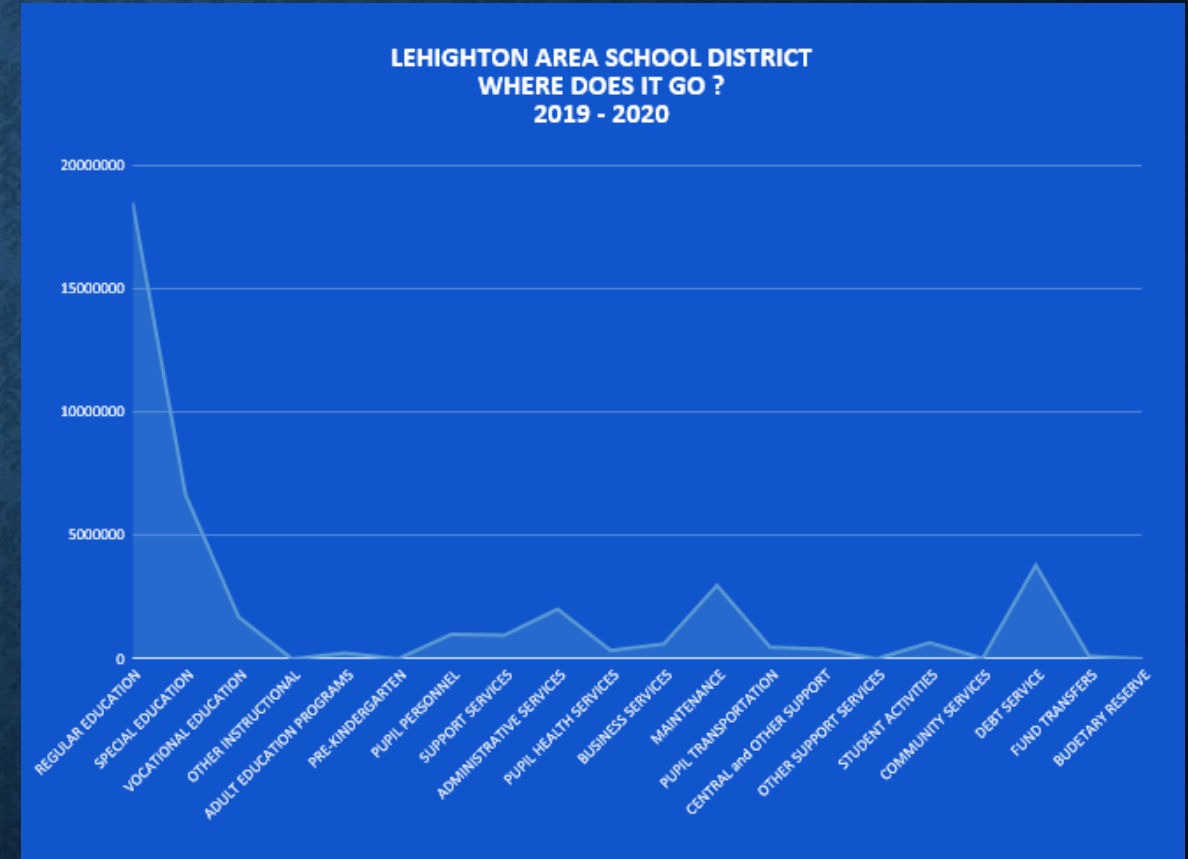
MAJOR FUNCTION EXPENDITURES

FUNCTION	EXPENDITURES	PRELIMINARY BUDGET % 2021-2022	PRELIMINARY BUDGET 2021-2022
1100	REGULAR EDUCATION	42.04%	\$ 18,318,607
1200	SPECIAL EDUCATION	16.99%	\$ 7,403,786
5100	DEBT SERVICE	8.72%	\$ 3,799,870
2600	MAINTENANCE	6.72%	\$ 2,926,361
2700	PUPIL TRANSPORTATION	2.98%	\$ 1,300,000
1300	VOCATIONAL EDUCATION	3.79%	\$ 1,650,048
2300	ADMINISTRATIVE SERVICES	4.63%	\$ 2,016,680
	OTHER	14.13%	\$ 6,154,427
	TOTAL		\$ 43,569,780



FUNCTION BREAKOUT

FUNCTION	EXPENDITURES	19-20 AFR	PRELIMINARY BUDGET 2021 -2022
1100	REGULAR EDUCATION	\$ 18,292,522	\$ 18,318,607
1200	SPECIAL EDUCATION	\$ 6,971,978	\$ 7,403,786
1300	VOCATIONAL EDUCATION	\$ 1,728,837	\$ 1,650,048
1400	OTHER INSTRUCTIONAL	\$ -	\$ -
1600	ADULT EDUCATION PROGRAMS	\$ 233,396	\$ 234,533
1800	PRE-KINDERGARTEN	\$ 2,739	\$ 154,853
2100	PUPIL PERSONNEL	\$ 1,163,287	\$ 1,028,470
2200	SUPPORT SERVICES	\$ 1,004,895	\$ 1,045,029
2300	ADMINISTRATIVE SERVICES	\$ 2,195,031	\$ 2,016,680
2400	PUPIL HEALTH SERVICES	\$ 393,609	\$ 350,501
2500	BUSINESS SERVICES	\$ 632,843	\$ 564,853
2600	MAINTENANCE	\$ 2,843,568	\$ 2,926,361
2700	PUPIL TRANSPORTATION	\$ 1,244,585	\$ 1,300,000
2800	CENTRAL and OTHER SUPPORT	\$ 520,023	\$ 939,334
2900	OTHER SUPPORT SERVICES	\$ 29,963	\$ 25,000
3200	STUDENT ACTIVITIES	\$ 891,527	\$ 912,531
3300	COMMUNITY SERVICES	\$ 20,000	\$ -
4000	Construction Improvement Svc	\$ 306,737	
5100	DEBT SERVICE	\$ 3,771,608	\$ 3,799,870
5200	FUND TRANSFERS	\$ -	\$ 140,000
5900	BUDGET RESERVE	\$ -	\$ 759,323
	TOTAL EXPENDITURES	\$ 42,247,148	\$ 43,569,780



EXPENDITURE ANALYSIS

- 21-22 Budgeted Expenditures represent a 3.2% increase over 19-20 Actual Expenditures.
- Decreases budgeted in Admin (2800), Construction Improvements (4000), Business Office (2500), and Pupil Personnel (2100)
- Increase found in Special Education (1200) and Technology (2800)
- Technology increase is primarily due to implementation of technology program and upgrades to existing equipment to be covered by ESSER Funding.

PSERS

SCHOOL YEAR	RATE	SCHOOL YEAR	RATE
2000-01	1.94%	2014-15	21.40%
2001-02	1.09%	2015-16	25.84%
2002-03	1.15%	2016-17	30.03%
2003-04	3.77%	2017-18	32.57%
2004-05	4.23%	2018-19	33.43%
2005-06	4.69%	2019-20	34.29%
2006-07	6.46%	2020-21	34.51%
2007-08	7.13%	2021-22	34.95%
2008-09	4.76%	2022-23	35.62%
2009-10	4.78%	2023-24	36.12%
2010-11	5.64%	2024-25	36.60%
2011-12	8.65%	2025-26	37.23%
2012-13	12.36%	2026-27	37.79%
2013-14	16.93%	2027-28	38.17%



PSERS

- If we assume a flat salary expenditure for the next 6 years, PSERS contributions represent a Gross increase of \$1,892,800 (\$946,400 net) during the same period.
- That expenditure increase alone accounts for 1 entire ACT I increase to local Revenue



ACCOUNT CODE BREAKDOWN

ACCOUNT	DESCRIPTION	2021-2022 Proposed Budget	% to Total
100	SALARIES	\$ 14,279,938	32.77%
200	BENEFITS	\$ 12,905,931	29.62%
300	PURCHASED PROF & TECH. SERVICES	\$ 3,078,408	7.07%
400	PURCHASED PROPERTY SERVICES	\$ 413,610	0.95%
500	OTHER PURCHASED SERVICES	\$ 6,831,950	15.68%
600	SUPPLIES	\$ 945,500	2.17%
700	PROPERTY	\$ 346,000	0.79%
800	OTHER OBJECTS	\$ 1,941,120	4.46%
900	OTHER FINANCING USES	\$ 2,827,323	6.49%
	TOTAL	\$ 43,569,780	100.00%



BREAKOUT ANALYSIS

- 63% of budget is Salary and Benefits
- 7% of budget is professional services including IU, BHA, Vison Quest, Audit & Legal, CSIU, Network services, and other contracted servicers such as security and crossing guards.
- 16% of budget is represented by other purchased services which include transportation, Technical School Tuition, LCCC tuition, Insurance, telecommunication services, as well Charter School Tuition
- 6% for other uses is our annual debt service and contingency for outstanding contract negotiations.
- 4.5% for other expenditures includes our Principle payment on debt service.



MAJOR IMPACTS TO 20-21 EXPENDITURES & 21-22 BUDGET

- 19-20 FY Charter School Expenditure \$1,421,829.00
- 20-21 YTD Thru Feb \$1,889,270 Charter School Expenditure 32.8% increase over FY 19-20.
- Charter School Tuition expected 21-22 Expenditure \$3,115,648 (\$2,111,040 Reg Ed, \$1,004,608 Spec Ed) 219% increase
- Currently 206 Students Enrolled in Cyber Charter Schools.
- 214 Enrolled in LAVA. Lehigh Area Virtual Academy. (District Sponsored Charter School Option)



IMPACT CHARTER SCHOOL ENROLLMENT HAS ON OUR BUDGET

- If State Adjusts Funding Formula Expenditure would drop to \$1,056,998.
- If we see a 25% reduction in students at Cyber Charter School. Expenditure Reduction of \$595,450.00
- If we see a 50% reduction in Student enrollment at Cyber Charter School. Expenditure reduction of \$1,431,118.00
- This is not a specific obstacle for budgeting that only Lehighton Faces. Topic of discussion for all districts. I have heard some horror stories from other districts, with Cyber charter Tuition expenditures in excess of \$5,000,000 annually.



TEACHER COST EXAMPLE

Salary (Step 21 B)	\$	76,784
PSERS, net (34.51%)	\$	13,249
Social Security	\$	2,937
Health Insurance (Family Plan)	\$	32,052
Vision, Dental, Life, Workers Compensation Insurance	\$	2,304
TOTAL	\$	127,326

Salary (Step 1 B)	\$	43,000
PSERS, net (34.51%)	\$	7,420
Social Security	\$	1,645
Health Insurance (Employee Plan)	\$	15,600
Vision, Dental, Life, Workers Compensation Insurance	\$	1,290
TOTAL	\$	68,954

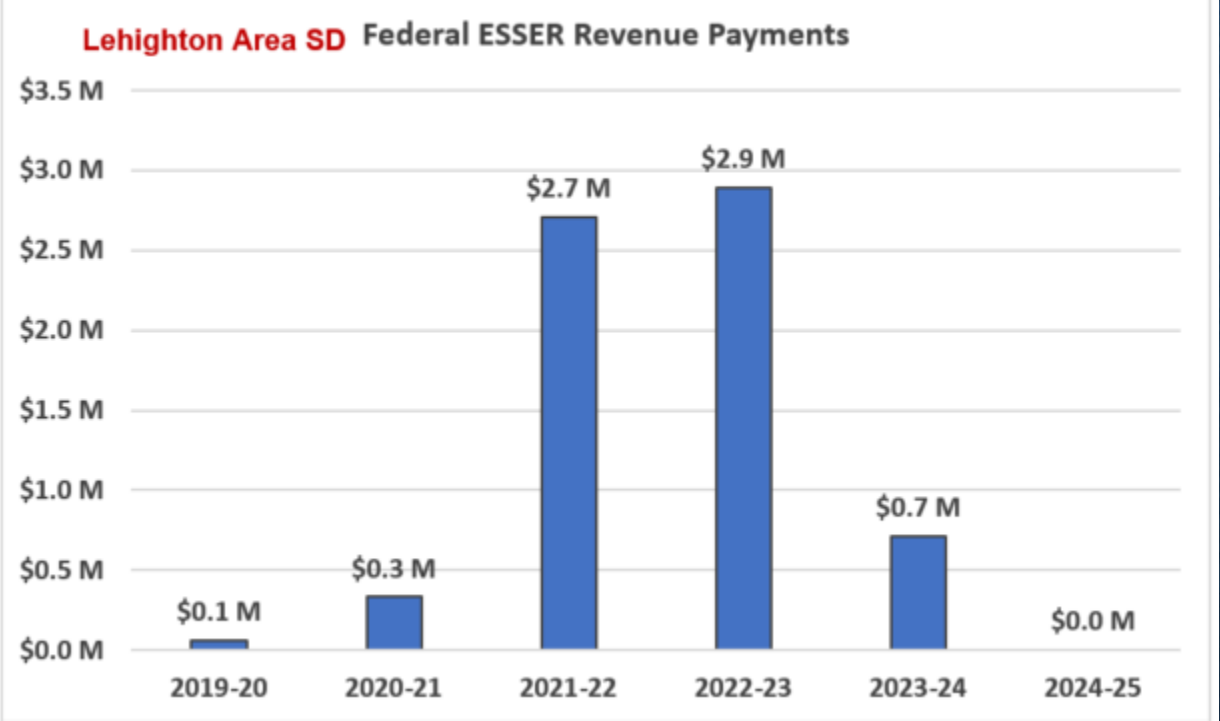


BUDGETARY DRAFT SUMMARY

Lehigh Area School District	
2021-22 Budget Summary	
<u>ESTIMATED REVENUES:</u>	
LOCAL	\$ 22,603,008
STATE	\$ 17,480,888
FEDERAL	\$ 2,279,703
TOTAL ESTIMATED REVENUE	\$ 42,363,599
<u>ESTIMATED EXPENDITURES:</u>	
1000 Series-Instruction	\$ 27,761,828
2000 Series-Support Services	\$ 10,196,228
3000 Series-Activities	\$ 912,531
5000 Series-Debt Service	\$ 4,699,193
TOTAL ESTIMATED EXPENDITURES	\$ 43,569,780
TOTAL PROJECTED DEFICIT	\$ (1,206,181)



ESSER I, II, III



COMMENT

- We as a district need to keep in mind we are an educational institution, with purpose to educate our students. The student should continue to be the baseline for all decision making. We need to void personal and political agendas from the process. We need to Define by Difference and Strive for Perfection. In the pursuit of perfection we will find excellence. We should settle for nothing less, from our Board, community, teachers, administrators, and our students. I stress we cannot continue to cut programs and resources such as technology, curriculum, supplies, textbooks, athletics, and social/emotional support that provide the necessary building blocks for our students to become vibrant and successful contributors to society. We need to ask the simple question. Do we want to be the district that others look to and say “that is how is should be done”, or do we want to be known as the district that others look at and say “what happened”.

