

**Lehigh Area School District
Finance Committee Meeting
Monday, June 15, 2020 at 6:00 PM**



Finance Committee Minutes

The meeting was called to order at 6:02 p.m.

The following Board Members were present:

Richard Beltz, Rita Spinelli, Nathan Foeller, Larry Stern (audience), Gail Maholick (audience) and David Bradley (audience)

The following Administration Members were present:

Jonathan Cleaver, Patricia Denicola, Tina Champ and Meghan Christman

2020-2021 Budget Discussion

Review of the 2020-2021 General Fund Budget PowerPoint presentation. Any additional options to solve the budget deficit will be shared at the next Finance Committee Meeting on June 22.

Audience discussions with David Bradley regarding solving the budget deficit, Barbra Bowes regarding cost of living and the athletic trainer proposals, Fred Kemmerer regarding possible Food Service savings, and Gloria Bowman regarding the decrease in fund balance.

The meeting was adjourned at 6:49 p.m.

***Next Meeting Date: Monday, June 22, 2020 6:00 p.m.
PJD/mmc***

LEHIGHTON AREA SCHOOL DISTRICT

2020-21 GENERAL FUND BUDGET



OPENING THOUGHTS TO CONSIDER

"Don't dwell on what went wrong. Instead, focus on what to do next. Spend your energies on moving forward toward finding the answer."

Denis Waitley

"Losers live in the past. Winners learn from the past and enjoy working in the present toward the future."

Denis Waitley



LEHIGHTON AREA SCHOOL DISTRICT

FINANCE STATEMENT

- Over the last few years the District's expenditures have surpassed budgeted amounts.
 - The District has completely exhausted its fund balance
- Beginning with the 2019-20 Budget, the District took steps to appropriately budget actual expected revenues and expenditures.
- The District must:
 - Cut costs in order to balance the 2020-21 Budget
 - Continue to create balanced budgets in order to regain and maintain financial stability

IMPORTANT BUDGET DATES

- **JUNE 15, 2020:** FINANCE COMMITTEE MEETING (VIRTUAL MEETING @ 6 PM)
- **JUNE 22, 2020:** FINANCE COMMITTEE MEETING (VIRTUAL MEETING @ 6 PM)
- **JUNE 22, 2020:** SCHOOL BOARD MEETING (VIRTUAL MEETING @ 7 PM)
- **JUNE 29, 2020:** SPECIAL BOARD MEETING TO ADOPT 2020/21 GENERAL FUND BUDGET (VIRTUAL MEETING @ 7PM)

TOTAL STUDENTS

*** THE DISTRICT SERVES THE STUDENTS OF FRANKLIN, MAHONING & EAST PENN TOWNSHIPS, LEHIGHTON BOROUGH, PARRYVILLE, AND WEISSPORT,**

TOTAL STUDENTS

	Current 2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
PreK	39	35	25								
KG	163	164	149	173	201	171	199	226	180	247	218
1	152	152	174	202	191	185	217	189	217	198	200
2	153	172	201	182	213	202	168	230	196	192	176
3	163	203	172	214	204	159	228	190	190	174	189
4	199	176	210	202	168	225	181	202	172	188	192
5	169	211	201	176	229	174	199	175	187	190	179
6	209	209	174	230	198	194	177	192	189	178	196
7	193	183	223	191	208	176	199	199	185	190	195
8	166	221	192	212	197	188	190	187	199	192	194
9	208	180	206	202	204	183	189	204	188	211	193
10	168	189	166	197	183	170	195	173	185	178	225
11	191	167	161	199	156	172	185	182	162	205	191
12	163	158	162	197	178	173	182	154	208	169	209
Total	2362	2420	2431	2577	2530	2372	2509	2503	2458	2,512	2,557

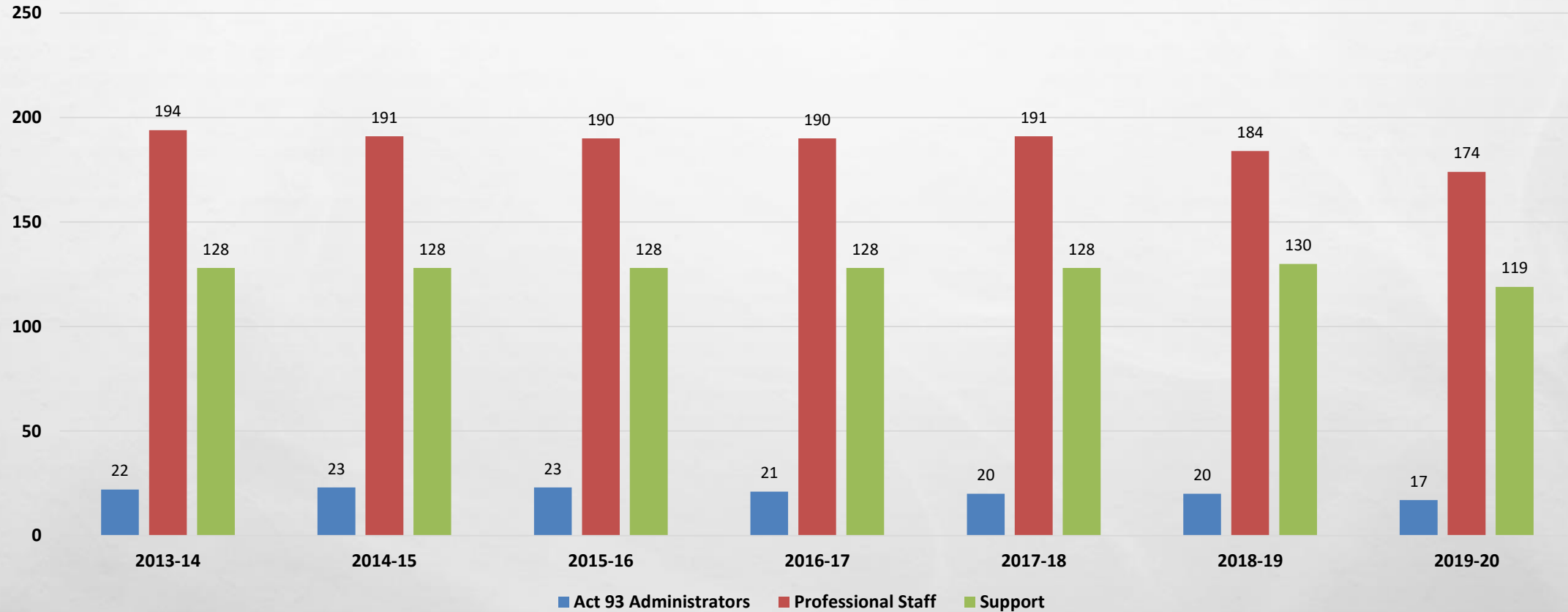
TOTAL EMPLOYEES

*** OVER 65% OF BUDGET IS BASED ON EMPLOYEE COSTS – SALARIES, RELATED PERSONNEL BENEFITS AND MANDATED COSTS (I.E. PSERS RETIREMENT, FEDERAL EMPLOYMENT TAXES)**

TOTAL EMPLOYEES

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Professional Staff	194	191	190	190	191	184	174
12-Month Secretary	13	13	13	13	13	12	12
10-Month Secretary	5	5	5	5	5	5	5
Paraprofessionals	42	42	42	42	42	35	31
LPN Nurses	3	3	3	3	3	3	3
ES Interventionist	2	2	2	2	2	2	2
Head Cooks	5	4	4	4	4	4	4
Full Time Cafeteria	2	3	3	3	3	1	1
Custodians	10	10	10	10	10	7	7
Utility Custodians	9	9	9	9	9	9	9
Network Analysts	2	2	2	2	2	2	2
Act 93	22	23	23	21	20	20	17
Attendance Officer	1	1	1	1	1		
PT Cafeteria	5	5	5	5	5	2	2
PT Cleaners	16	16	16	16	16	20	16
PT Police Officers	0	0	0	0	0	2	2
PT Lunch Aides	13	13	13	13	13	21	19
PT Paraprofessionals	0	0	0	0	0	5	4
Total Employees	344	342	341	339	339	334	310

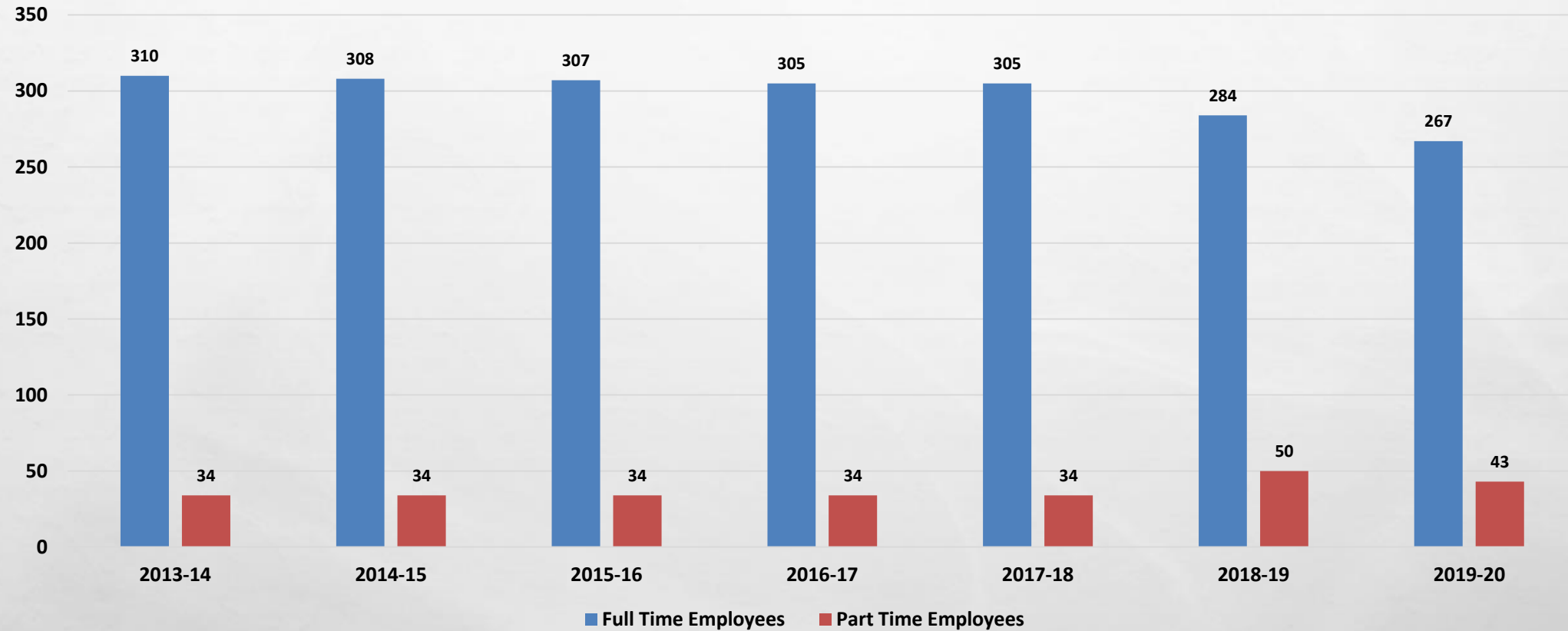
TOTAL EMPLOYEES BY GROUP



TOTAL EMPLOYEES BY GROUP

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Act 93 Administrators	22	23	23	21	20	20	17
Professional Staff	194	191	190	190	191	184	174
Support	128	128	128	128	128	130	119
Total Employees	344	342	341	339	339	334	310

FULL TIME VS PART TIME EMPLOYEES



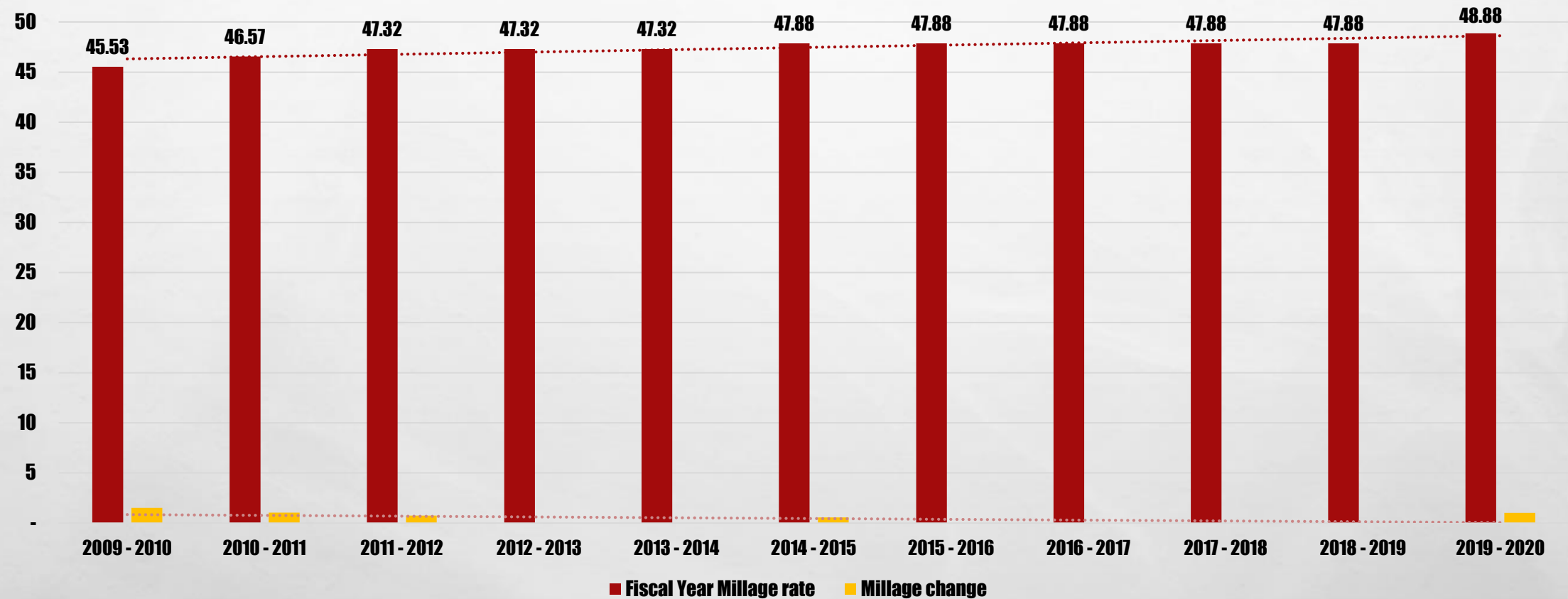
FULL TIME VS PART TIME EMPLOYEES

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Full Time Employees	310	308	307	305	305	284	267
Part Time Employees	34	34	34	34	34	50	43
Total Employees	344	342	341	339	339	334	310

LOCAL REAL ESTATE TAX REVENUE

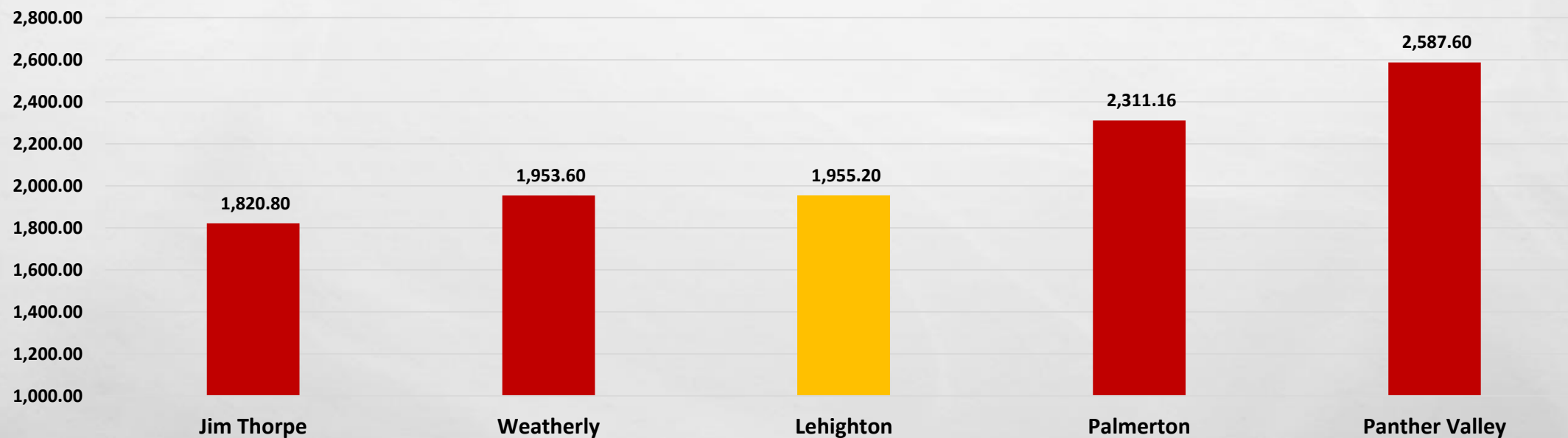
*** OVER 53% OF THE DISTRICT'S REVENUE COMES FROM LOCAL SOURCES SUCH AS REAL ESTATE AND OTHER TAX REVENUES**

REAL ESTATE TAX RATE HISTORY



CARBON COUNTY SCHOOL DISTRICT TAX COMPARISON

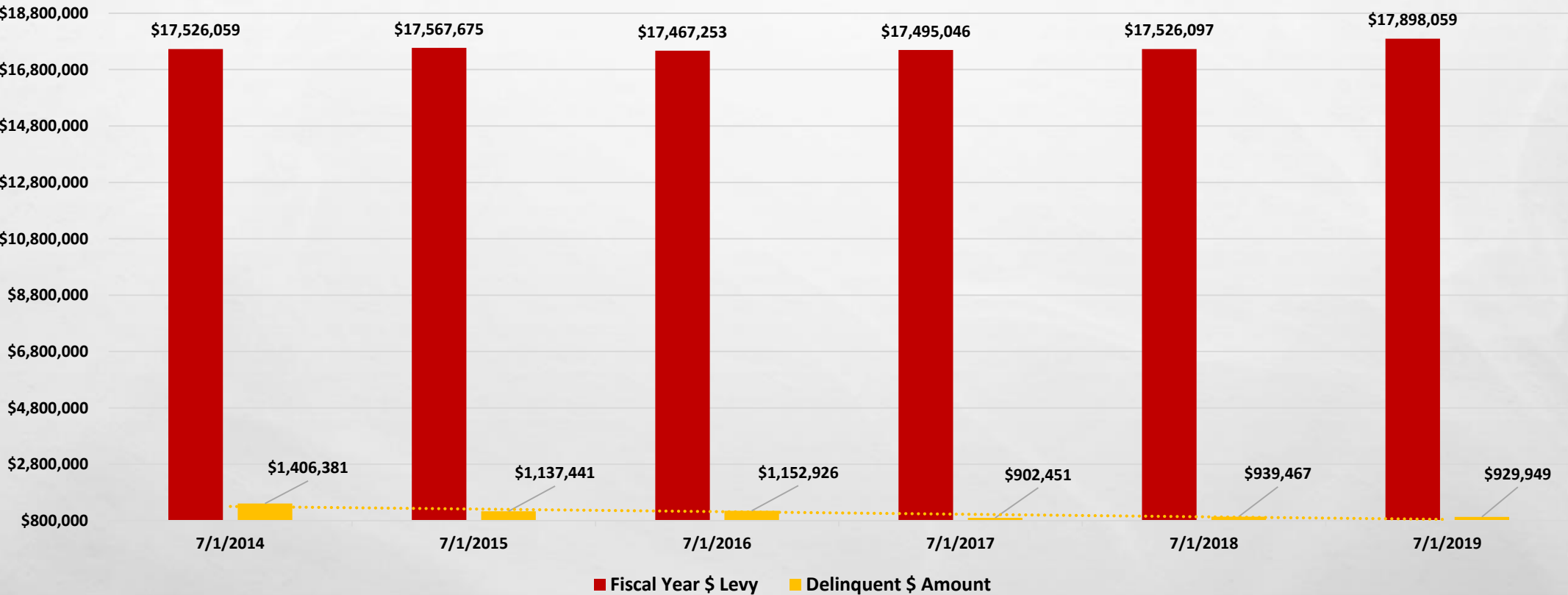
Average School Real Estate Taxes based on 40,000 assessment value



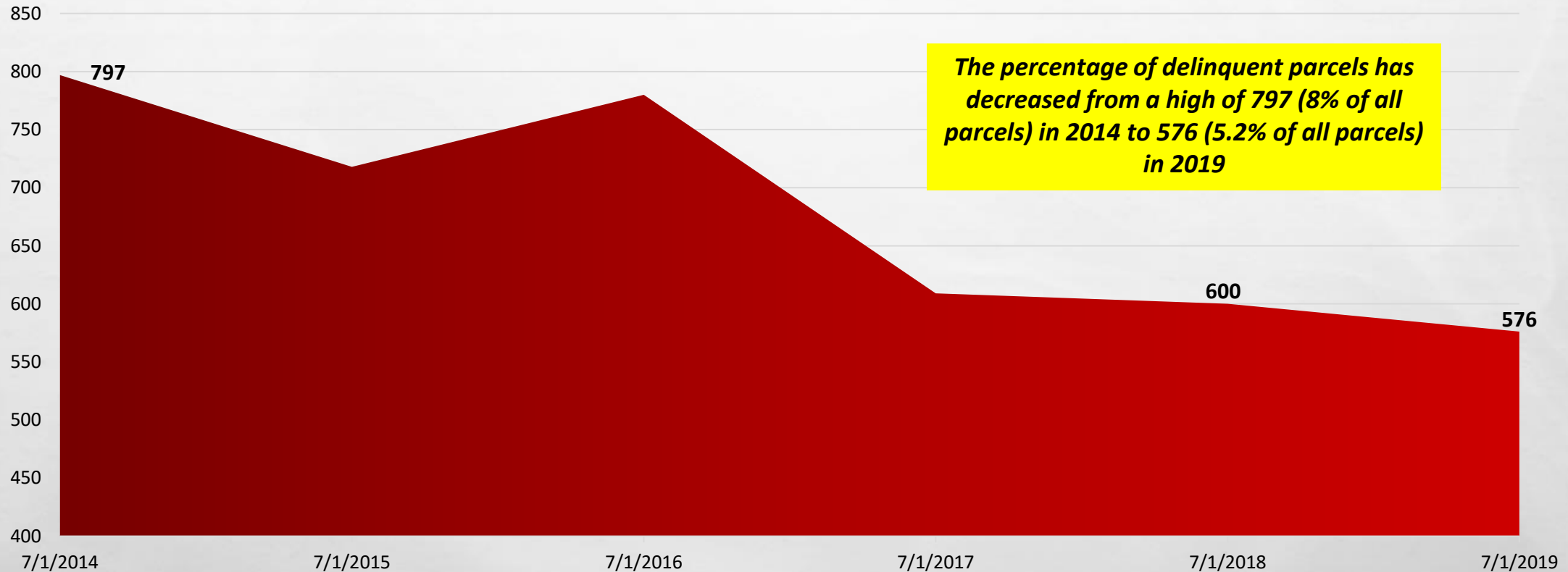
DELINQUENT REAL ESTATE TAXES

*** UNFORTUNATELY PERSONAL ECONOMIC CONDITIONS CAN CHANGE, THIS CAN EFFECT A PROPERTY OWNERS ABILITY TO PAY THEIR REAL ESTATE TAXES AND OTHER EXPENSES**

DELINQUENT REAL ESTATE TAX HISTORY \$



DELINQUENT: # REAL ESTATE PARCELS



DELINQUENT TAX HISTORY

Tax Levy Date	Fiscal Year \$ Levy	Delinquent \$ Amount	% Parcels Placed	# Parcels
7/1/2014	\$17,526,059	\$1,406,381	8.0%	797
7/1/2015	\$17,567,675	\$1,137,441	6.5%	718
7/1/2016	\$17,467,253	\$1,152,926	6.6%	780
7/1/2017	\$17,495,046	\$902,451	5.2%	609
7/1/2018	\$17,526,097	\$939,467	5.4%	600
7/1/2019	\$17,898,059	\$929,949	5.2%	576

GENERAL FUND BUDGET

*** HISTORICAL BUDGET VERSUS ACTUAL RESULTS**

*** DEFICIT – OPTIONS TO BALANCE BUDGET**

2020-21 GENERAL FUND BUDGET DEFICIT

Date	5/27/2020	6/8/2020
Total Revenue	40,090,465	40,566,892
Total Expenditures	<u>43,043,444</u>	<u>42,513,563</u>
Budget Deficit	(2,952,979)	(1,946,671)

HISTORICAL BUDGET VS ACTUAL RESULTS

	Expenditures per AFR	Overspent / (underspent) budget	Budgeted Expenditures	Budgeted % Change over Prior Year
2014-15	\$ 37,168,664	\$ 68,975	\$ 37,099,689	4.90%
2015-16	\$ 44,010,087	\$ 5,351,506	\$ 38,658,581	4.20%
2016-17	\$ 41,478,220	\$ 2,199,492	\$ 39,278,728	1.60%
2017-18	\$ 42,905,729	\$ 1,905,863	\$ 40,999,866	4.38%
2018-19	\$ 43,901,735	\$ 3,207,275	\$ 40,694,460	-0.74%

2019-20 VS 2020-21 BUDGET

Fiscal Year	Total Budgeted Expenditures	Budgeted % Change over Prior Year
2019-20	43,891,495	-0.02%
2020-21 **	42,513,563	-3.14%
**as of 6/8/2020		

2020-21 BUDGET DEFICIT – POTENTIAL OPTIONS TO SOLVING DEFICIT

- **Personnel adjustments**
- **Eliminate non-mandated costs**
 - **CoCurricular**
 - **Transportation**
- **Real Estate Tax Increase**

NEXT STEPS

- **JUNE 22, 2020: FINANCE COMMITTEE MEETING**

- **SPENDING DECISIONS MUST BE MADE IN ORDER TO DEVELOP A BALANCED BUDGET FOR 2020-21**

**As per school code section 687: “The total amount of such budget shall not exceed the amount of funds, including the proposed annual tax levy and state appropriation, available for school purposes in that district.”*

- **ONGOING THROUGHOUT THE 2020-21 SCHOOL YEAR, SHOULD REVENUE ESTIMATES FALL SHORT OF EXPECTATIONS THE BOARD MUST BE PREPARED TO MAKE ADDITIONAL SPENDING CUT DECISIONS.**