



**COMMUNITY BUDGET
FORUM**

Northwestern Lehigh School
District
April 5, 2011 7:00pm-10:00pm

WELCOME!

[Agenda]

- Welcome Message
- 2011-12 Budget Overview
- Presentation on Mandated vs. Non-Mandated Programs
- Polling Questions
- Closing Remarks
- Public Comment

[Purpose of Tonight's Presentation]

- Awareness
- Understanding
- Feedback

[2011-2012 Budget Goals]

- Preserve instructional programs with some modifications
- Provide appropriate class sizes
- Continue looking for areas to cut-back and do things differently without negatively affecting programs
- Plan for our future

[Changing Media]

- Instant communication / speed
- Comments / Blogs
- Sensational Reporting
- Competitive
 - Who can get info to public first
 - Facebook / Twitter / Live Feeds



[

]

**What is the Act 1-Taxpayer
Relief Act ...
and how did it change
School District funding?**

[Act 1-Taxpayer Relief Act]

- Intended to **limit** Real Estate Tax increases to the **cost of living**
- Qualified residents receive a reduction in school taxes through **gaming funds** (Homestead/Farmstead properties)

[Act 1 of 2006 Property Tax Relief]

Where does the Index come from?

- Calculated by averaging the percentage increases in PA statewide average weekly wages and the Federal Employment Cost Index for elementary and secondary schools
- **ECI/SAWW** = Employment Cost Index/Statewide Average Weekly Wages

Act 1 of 2006 Tax Relief Act

- 2011-12 base index = 1.4%
 - **NWL Adjusted Index = 1.7%** (based on the District's wealth)
- 0.86 mill increase, or **\$370,000**

	2011-12	2010-11	2009-10	2008-09	2007-08*
Adjusted Index	1.70%	3.40%	4.80%	5.20%	4.00%
Allowable Millage Increase	0.86	1.68	2.28	2.34	1.72
Increase in Millage	TBD	1.25	2.00	2.34	2.15
Dollars	TBD	\$ 538,294	\$ 848,971	\$ 976,350	\$ 882,969
Millage Rate	TBD	50.66	49.41	47.41	45.07

* Millage increase exceeded the index through use of exceptions

Source: Index history obtained from PDE

[Referendum]

- School Board has the ability to raise taxes annually by the index and any eligible exceptions
- If the district needs additional funds to balance the budget, voters would decide **YES** or **NO** to raise taxes.

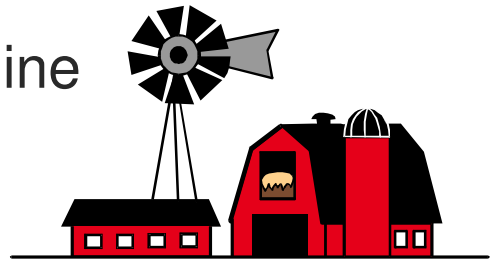
[Referendum Example]

Shortfall	\$	(1,000,000)
Index & Exceptions	\$	250,000
Remaining Shortfall	\$	(750,000) *

* The School Board would have the ability to raise taxes \$250,000, and the voters would need to vote **YES to raise taxes the additional \$750,000.** If the voters vote NO, the district cannot raise taxes more than the \$250,000.

[Homestead/Farmstead Act]

- Gaming revenue
 - 2008-09 Allocation \$662,156
 - 2009-10 Allocation \$665,953
 - 2010-11 Allocation \$666,002
- Eligibility
 - Property must be primary residence
- Application-filing deadline
March 1, 2011



The Taxpayer Relief Act - Windows Internet Explorer

http://www.lehighcounty.org/Departments/Assessment/TheTaxpayerReliefAct/tabid/245/Default.aspx

File Edit View Favorites Tools Help

★ Favorites | ★ Suggested Sites | Free Hotmail | Web Slice Gallery

The Taxpayer Relief Act



LEHIGH COUNTY

PENNSYLVANIA

April 4, 2011

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Departments » Assessment » The Taxpayer Relief Act

Section Links

- Assessment
- Search Records
- Tax Collectors
- Millage Sheet
- The Taxpayer Relief Act**
- American Heroes Grant
- Borough/Township Maps

The Taxpayer Relief Act

Special Session Act 1 of 2006



Governor Rendell signed **Special Session Act 1 of 2006** (SAP), the Taxpayer Relief Act, on June 27, 2006. This law eases the financial burden of home ownership by providing school districts the means to lower property taxes to homeowners, especially **senior citizens**, via the funding provided by gaming revenue. It is anticipated that, ultimately, gaming will generate \$1 billion each year for local property tax relief.

Homestead and Farmstead Exclusion Application

Click on **View My Property**. After you search and find your property, click on the Homestead Exclusion Application link in the left sidebar. Read the instruction. Complete the application online, print, sign and return to the Office of Assessment. The Homestead and Farmstead Exclusion application must be filed with the County Assessors Office by **March 1st 2011**.

2010 Act 1 Homestead Farmstead Letter

English
Español

For more information, contact the:

Office of Assessment
Government Center
Room 517
17 South Seventh Street
Allentown, PA 18101-2401

Phone: 610-782-3038
Fax: 610-820-3380
8:00 am to 4:00 pm

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Revenues- \$35,279,293

71.50% - Local

27.80% - State

0.7% - Federal



	<u>Local</u>	<u>State</u>
2011-2012	71.50%	27.80%
2010-2011	70.00%	27.70%
2009-2010	69.30%	30.00%
2008-2009	66.90%	30.10%

NOTE: Graph represents revenue estimates based on January 2011 budget amounts.

Revenue Dynamics- What affects revenues?



- **Real Estate 62.24%**
 - Assessed value adjustments
 - Reduction in new construction
 - Higher delinquent collections
- **Earned Income Taxes 5.61%**
 - Lay-offs
 - Income reductions & slowed growth
- **Interims & RE Transfer Tax 1.12%**
 - Reduction in sales price & volume
- **Interest income 0.42%**
 - Lower interest rates
- **Other Local Revenue 2.17%**
 - IDEA funds
 - Local Services Tax
 - Admissions
- **State Revenue 27.80%**
 - State budget deficit
 - Federal stimulus money elimination
 - State subsidy reductions
- **Federal Revenue 0.64%**
 - Title I & II Programs

[Revenues-State Funding]

(Compared to 2010-11)

	Estimated Reduction	
Basic Education Funding	\$ (540,184)	
Accountability Block Grant	(232,733)	
Cyber/Charter Reimbursement	(180,000)	*
SS Reimbursement	(56,401)	*
	\$ (1,009,318)	

Amounts reflect 2011-12 estimated reductions compared to 2010-11. Amounts are based on numbers provided in the Governor's Budget March 8, 2011 and PASBO analysis by school district.

* Reduction was not anticipated by the district through the planning process

[Expenditures]

- Estimated 2011-2012 Total Expenditures
(based on preliminary numbers discussed January 12, 2011)
\$36,978,201
- Increase from 2010-11
\$46,000 or 0.12%
- Initial 2011-12 Estimated Shortfall
(before millage increase)
\$2,054,611 Estimated shortfall

[Expenditures Cont...]



65% Salaries & Benefits

24% District-Wide

10% Buildings & Departments

1% Grants

NOTE: Amounts represent expenditure estimates based on January 2011 budget amounts.

[What have we already done?]

- 2009-10 Budget Surplus
 - Revenues \$366,499
 - Expenditures \$3,041,094
- Excess funds were put into Fund Balance (district's savings account)
 - Total Fund Balance (6/30/10) \$9,110,923
 - \$4,236,126 Unreserved/Undesignated
 - \$4,874,797 Reserved/Designated for specific purposes (healthcare, PSERS, debt, OPEB)
- Unreserved/Undesignated fund balance would cover approximately **1.5 months** of operating expenditures

[What have we already done?]

- Since 2009-10 School Year:
 - Nearly eliminated costs associated with PD
 - Reduced use of substitutes
 - Placed a hold on spending in March 2010
 - Reduced Overtime
 - Reduced use of security services
 - Reduced bulk mailings and postage costs
 - Reduced advertising costs
 - Reduced printing & binding district-wide

**Total Savings generated from these items
approximately \$418,000**

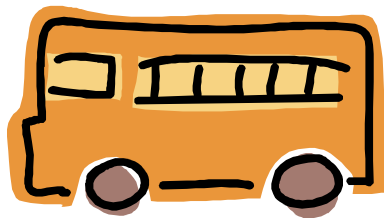
[What have we already done?]

- Reduced staffing:
 - Administration 15.8% decrease
 - 3FT positions
 - Teachers 5% decrease
 - 10FT positions
 - Secretaries/business office
 - Decreased by more than 15%
 - 1 FT with benefits to 2 PT without benefits
 - Custodial services
 - Decreased staffing by 15%
 - 3 FT with benefits offset by Custodial Contract costs at Weis

**Total savings from 2009-10 to present
approximately \$1,344,000**

[Expenditure Concerns]

- Gasoline / Diesel
- Electricity
- OPEB
- Bus Replacements
- PSERS



[

]

Mandated and Non-mandated Programs

[Mandated Programs/Requirements]

- Chapter 4 (School Code)
- School nurse for every 1500 students
- ESOL
- Special Education
 - Class size requirements
 - Instructional accommodations
 - Transportation

[Mandated Programs/Requirements]

- PIMS: Child Accounting
- Utilities/Building Maintenance
- Pre-employment paperwork & processing
- Building code requirements: lights on at night
- Payment for charter school

[Mandated Programs/Requirements]

- Designate an Open Records Officer
- 180 student days
 - 990 hours secondary
 - 900 hours elementary
 - 450 hours kindergarten

[Non-Mandated Programs/Support]

- Administrators
- Kindergarten
- Developmental guidance
- Health room assistants
- Art & Music for every child, every year
- Teacher Assistants

[Non-Mandated Programs/Support]

- Athletics, middle & high
- Extra-curricular activities
 - Band, chorus
 - Newspaper, yearbook
 - Student council
 - Debate
 - Drama

[Non-Mandated Programs/Support]

- Transportation (must provide same to non-public schools within 10 miles of District border)

[Non-Mandated Programs/Support]

- Staffed libraries
- Lehigh Carbon Community College
- Class Sizes (NWL Guidelines)
 - K-1 17-22
 - 2-3 18-24
 - 4-5 18-25
 - 6-8 20-26

[

]

Text Voting

[What is your role?]

What is your role?

 Text a **KEYWORD** to **37607**

- Parent with current students **NWLPARENT**
- School district employee **NWLSTAFF**
- Community resident **NWLRESIDENT**
- Student **NWLSTUDENT**

0



[Which would you choose to eliminate?]

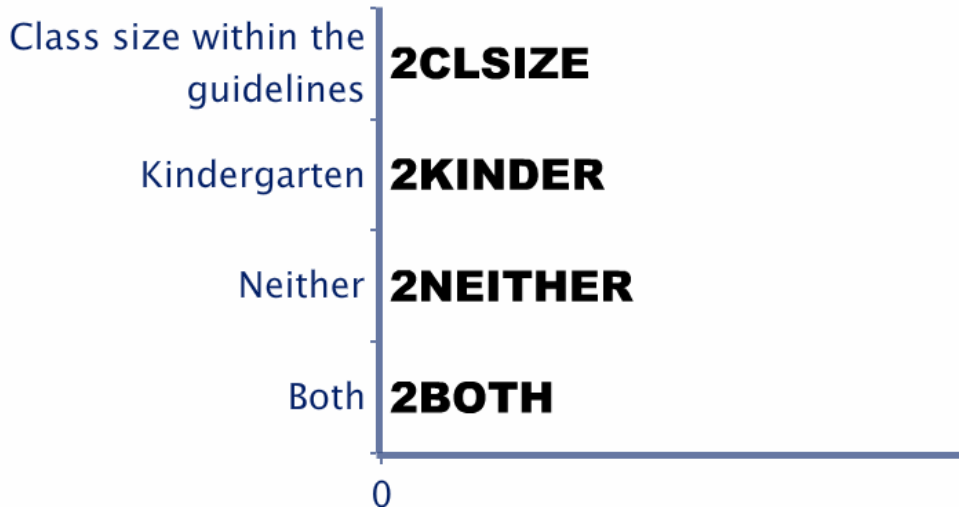
1. Which would you choose to eliminate?



[Which would you choose to eliminate?]

2. Which would you choose to eliminate?

 Text a **KEYWORD** to **37607**



[Which would you choose to eliminate?]

3. Which would you choose to eliminate?

 Text a **KEYWORD** to **37607**

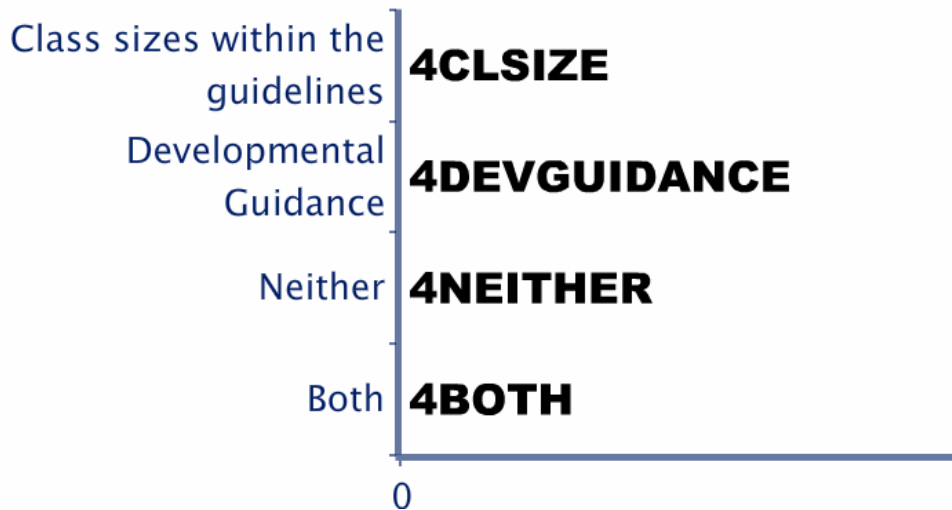
- Class size within the guidelines **3CLSIZE**
 - Staffed libraries **3LIBRARY**
 - Neither **3NEITHER**
 - Both **3BOTH**
- 0



[Which would you choose to eliminate?]

4. Which would you choose to eliminate?

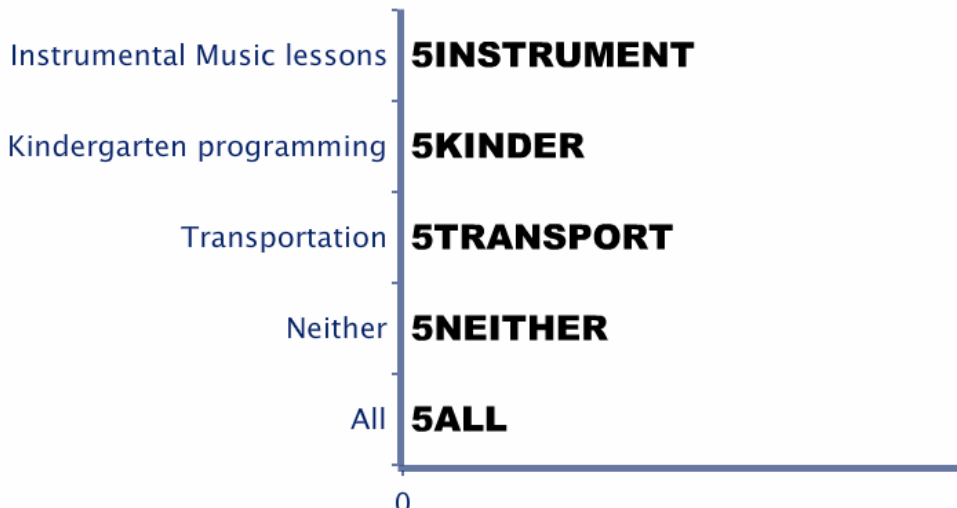
 Text a **KEYWORD** to **37607**



[Which would you choose to eliminate?]

5. Which would you choose to eliminate?

 Text a **KEYWORD** to **37607**



[Which would you choose to eliminate?]

6. Which would you choose to eliminate?

 Text a **KEYWORD** to **37607**

- High School Athletics **6HSATHLETE**
 - Middle School Athletics **6MSATHLETE**
 - Neither **6NEITHER**
 - Both **6BOTH**
- 0



[Which would you choose to eliminate?]

7. Which would you choose to eliminate?

 Text a **KEYWORD** to **37607**

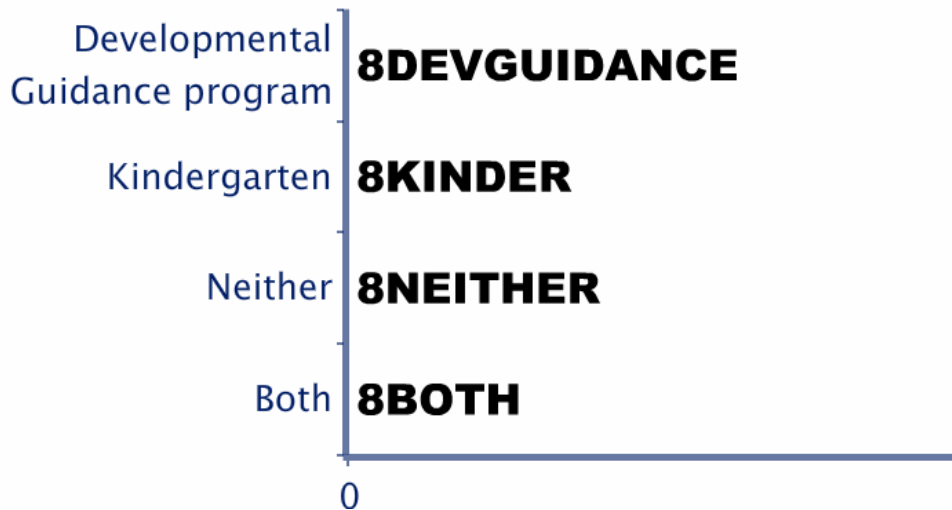
- Elementary Instrumental lessons **7ELEDINSTRUMENT**
 - Middle School Instrumental lessons **7MSINSTRUMENT**
 - High School Instrumental lessons **7HSINSTRUMENT**
 - None of the above **7NONEABOVE**
 - All of the above **7ALLABOVE**
- 0



[Which would you choose to eliminate?]

8. Which would you choose to eliminate?

 Text a **KEYWORD** to **37607**



[Which would you choose to eliminate?]

9. Which would you choose to eliminate?

 Text a **KEYWORD** to **37607**

- Developmental Guidance program **9DEVGUIDE**
 - Staffed Libraries **9LIBRARY**
 - Neither **9NEITHER**
 - Both **9BOTH**
- 0



[Which would you choose to eliminate?]

10. Which would you choose to eliminate?

Text a **KEYWORD** to **37607**

Staffed Libraries **10LIBRARY**

Kindergarten **10KINDER**

Neither **10NEITHER**

Both **10BOTH**

0



[Which would you choose?]

11. Which would you choose?

 Text a **KEYWORD** to **37607**

Athletics (MS/HS)
funded by the district

11ATHLETE

Pay to Participate Fee
(\$50-\$150 per event)

11PAY

0



[Which would you choose?]

12. Which would you choose?

 Text a **KEYWORD** to **37607**

Raise taxes to maintain
athletics

12TAX

Eliminate athletics

12ATHLETE

0



[Which would you choose?]

13. Which would you choose?

Text a **KEYWORD** to **37607**

Raise taxes to maintain
staffed libraries

13TAX

Eliminate staffed
libraries

13LIBRARY

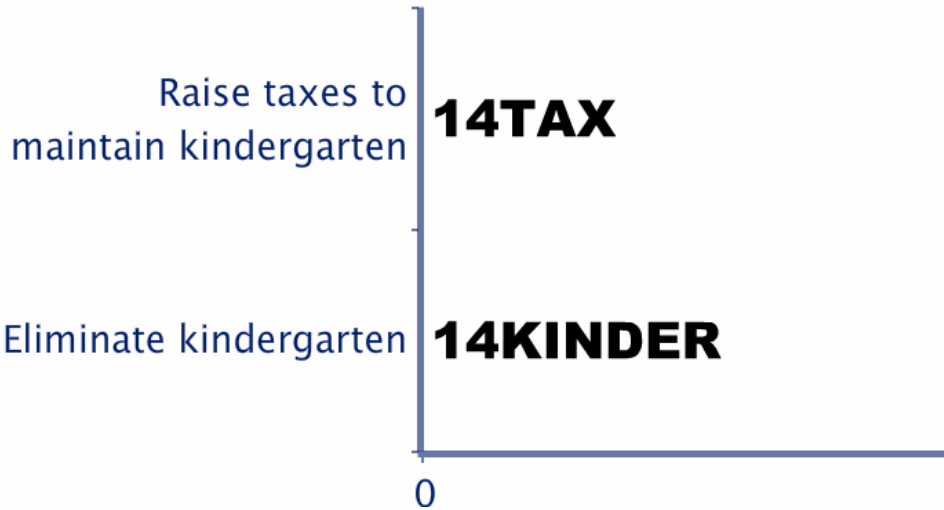
0



[Which would you choose?]

14. Which would you choose?

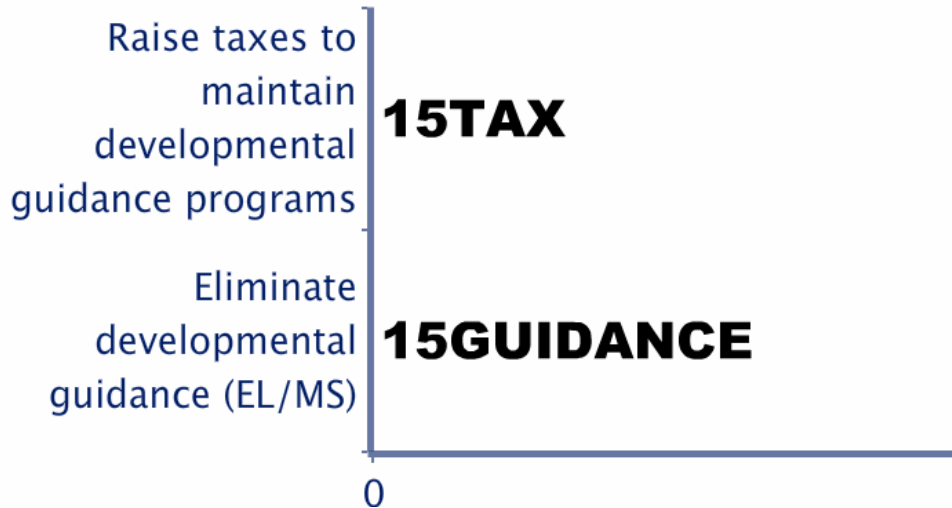
Text a **KEYWORD** to **37607**



[Which would you choose?]

15. Which would you choose?

Text a **KEYWORD** to **37607**



[Which would you choose?]

16. Which would you choose?

Text a **KEYWORD** to **37607**

Raise taxes to
maintain instrumental
music lessons

16TAX

Eliminate instrumental
music lessons

16MUSIC

0



[Information is Key]

- Minimize anxiety and rumors
- Utilize attrition to save on salary & benefits
- Provide open communication about the budget

[How Can You Help?]

- Write to our legislators in support of public education.
- Attend and support school & district events.
- Attend school board meetings.



[What's Next in the Process?]

- Continued budget discussion at board meeting **April 14th, 7:30 pm**, Board Room
- Preliminary budget approval **May 11th, 7:30 pm**, Board Room
- Final budget approval **June 15th, 7:30 pm**

[Thank You!]

- For your efforts to keep quality education happening each day for our students
- While we have had our challenges and will continue to have them, it is the people who work at NWL that makes our students successful