



# 2012-2013 Budget Discussion

Northwestern Lehigh School  
District

April 2012

# [Purpose of Today's Presentation]

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- Awareness
- Support
- Assistance

# Budget Goals

- Maintain instructional programs with modifications, as necessary
- Provide appropriate class sizes
- Align the budget with strategic planning mission, vision, & goals
- Develop a budget with a long-term & short-term focus
- Continue to identify areas to maximize efficiencies and reduce costs without negatively impacting programs

**2012-2013**

# [ Current Environment ]

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- Instant communication / speed
  - District-wide emails
  - News items on website
- Sensational Reporting
  - Shift focus to the good things
- Competitive
  - Twitter
  - Facebook
  - Live Stream

# 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
- $ECI/SAWW = \text{Employment Cost Index/Statewide Average Weekly Wages}$

## What's the Purpose?

- Intended to limit tax increases to a cost of living index
- 2012-13 base index is 1.7%, NWL is adjusted to 2.0% based on the District's wealth
- 1.01 mill increase, or **\$438,000**
- Board adopted a resolution to stay under index 12/14/11, which means the max tax increase for 2012-13 can be 1.01 mills, or \$438,000

# Revenues- \$35,945,144



	<u>Local</u>	<u>State</u>
2012-2013	68.7%	28.0%
2011-2012	69.9%	27.5%
2010-2011	70.0%	27.7%
2009-2010	69.3%	30.0%
2008-2009	66.9%	30.1%

NOTE: Graph represents revenue estimates based on April 2012 budget amounts. No millage increase included.

# Revenue Dynamics- What affects revenues?

- Real Estate
  - Assessed value adjustments
  - Continued slow growth
- Earned Income Taxes
  - Starting to see increased EIT
- Real Estate Transfer taxes
  - Reduction in sales price & volume
- Interest income
  - Stable interest rates
- State Revenue
  - State budget deficit
  - State subsidy reductions
  - Student Achievement Education Block Grant
- Donations/Contributions
  - Foundation (EITC funds)
- Federal Stimulus
  - Eliminated in 2011-12

# [ Lehigh County Reassessment ]

- What is Reassessment?
  - Redistribution of current tax dollars (County, Municipal, & School) to correct inequities caused by years of unequal market value changes
- Who does it affect?
  - All properties in Lehigh County
- When does it go into effect?
  - **January 1, 2013 (2013-14 school taxes)**
- How does it affect NWL?
  - Revenue Neutral
  - District re-sets the millage rate to equal the same \$
  - **= \$0 increase**
- How does it affect NWL residents?
  - Heidelberg 71.7% ↑
  - Lowhill 40.5% ↑
  - Lynn 71.3% ↑
  - Weisenberg 46.8% ↑
  - **= \$ increase/decrease**

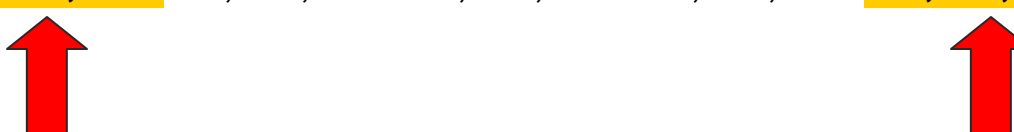


# Student Achievement Education Block Grant

- Combines current line items into one block grant
  - Basic Education
  - Transportation/Non-Public Transportation
  - Social Security
- Estimated Increase \$78,715
  - 12-13 \$6,924,497
  - 11-12 \$6,845,782

# Impact of Basic Education Funding

	<b>2008-09 Actual</b>	2009-10 Actual	2010-11 Actual	2011-12 Est.Act	<b>2012-13 Budget</b>
Basic Education	<b>5,317,738</b>	4,826,848	4,627,974	5,317,738	<b>5,317,738</b> *
ARRA-SFSF	-	648,767	649,229	-	
ARRA-EdJobs	-	-	379,017	-	
	<b>5,317,738</b>	5,475,615	5,656,220	5,317,738	<b>5,317,738</b>



\* Component of Student Achievement Block Grant

**2012-13 FUNDING FOR BASIC EDUCATION IS AT 2008-09 FUNDING LEVELS!**

# [ Expenditures ]

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- Estimated 2012-2013 Total Expenditures  
(based on preliminary numbers discussed April 11, 2012)

**\$37,036,122**

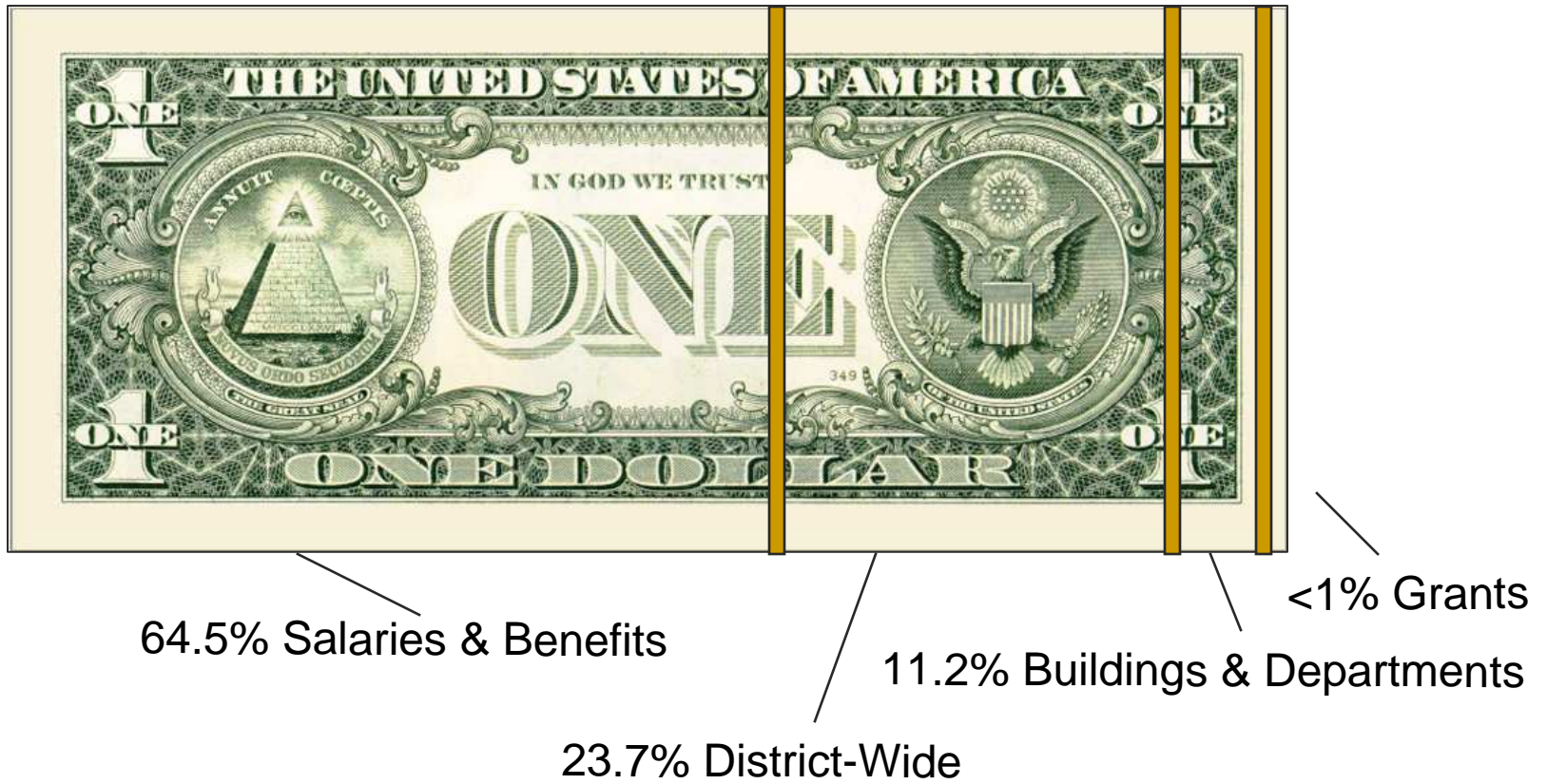
- Increase from 2011-12

**(+) \$1,018,959 or 2.8%**

- 2012-13 Estimated Shortfall (w/o millage increase)

**(\$1,090,978)** Estimated shortfall

# [ Expenditures Cont... ]



NOTE: Amounts represent expenditure estimates based on April 2012 budget amounts.

# [ Salaries & Benefits ]

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- Meetings with Administrators to develop staffing plans for 12-13
- Goal- Maintain staffing levels district-wide to meet the needs of the educational programs
- Next Week- discuss staffing plan with board

# Staffing 2009-10 to Present

- Administration
  - Elimination of 3 positions
- Teachers
  - Elimination of 18 positions
- Support
  - Secretarial
    - Elimination of 2 positions
    - Savings on 2 benefited positions
  - Custodial
    - Elimination of 3 positions through retirements (Weisenberg Outsourcing)
    - Savings on 4 benefited positions

**28 STAFF  
ELIMINATED!**

# [ Annual Savings ]

(projected for 2012-13)

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- Administration \$215,000
- Teachers \$1,773,000
- Secretarial \$139,000
- Custodians \$84,000 (net of out-sourcing costs)

**Total Annual Savings**

**\$2,211,000**

**Equivalent of 5 mills**

# Redefining the Budget Process

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- Develop educational goals and build budget to support
- Budget strategies to maximize dollars and minimize risk
- Long-term strategies to help minimize economic difficulties



# [ Information is Key ]

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

# [ How Can You Help? ]

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- Understand that you are ambassadors of NWL!
- Understand that public approval will be crucial to future success of our District.
- Remain professional & positive.

# [ How Can You Help? ]

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

# [ What's Next in the Process? ]

- Continued budget discussion at board meeting **April 18th, 7:30 pm**, Board Room
- Potential additional meetings scheduled as needed...
- Preliminary budget approval **May 9th, 7:30 pm**, Board Room
- Final budget approval **June 13th, 7:30 pm.**

# [ Thank You! ]

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- 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