

2013-14 Budget Discussion

Northwestern Lehigh School District
Finance Committee Meeting
March 6, 2013



Agenda

- Overview 2013-14
- Update on Revenues
- Update on Expenditures

Budget Goals

- Maintain instructional programs with modifications, as necessary
- Provide appropriate class sizes
- Implement strategic planning mission, vision & goals
- Develop a budget with a long-term and short-term focus
- Continue to identify areas to maximize efficiencies and reduce costs without negatively impacting programs
- Provide a funding plan to meet the district's needs while minimizing any potential tax increase to taxpayers

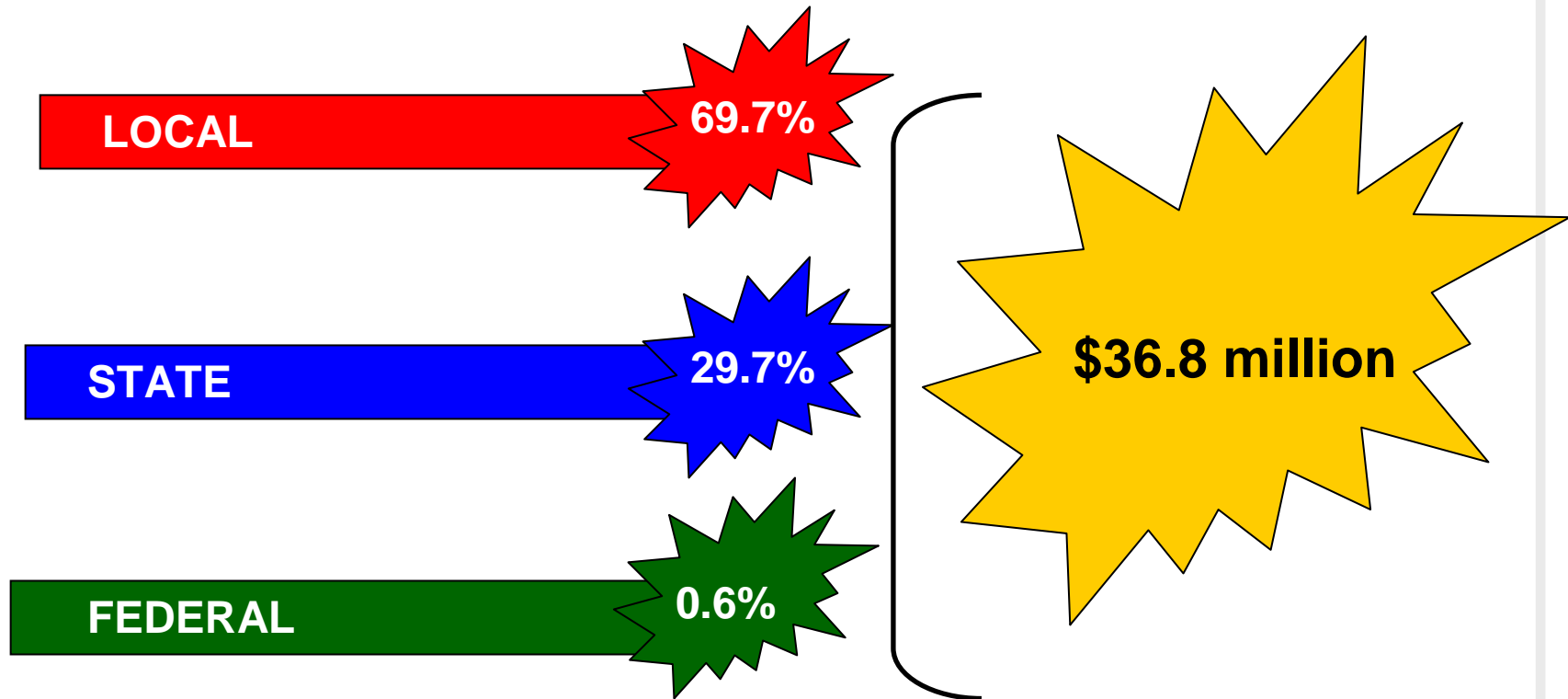
2013-2014

2013-14 Budget Timeline

| 2013-2014 Budget Timeline | Dates | Estimated Revenue | Estimated Expenditures | Estimated Budget Shortfall w/ No Millage Increase | Estimated Budget Shortfall w/ 0.32 Millage Increase \$458,401 |
|----------------------------------|----------------------|----------------------|------------------------|---|---|
| Budget Overview | Dec 12, 2012 | \$ 36,475,109 | \$ 38,390,361 | \$ (1,915,252) | \$ (1,477,285) |
| Budget Discussion * | March 6, 2013 | \$ 36,761,750 | \$ 37,979,611 | \$ (1,217,861) | \$ (759,460) |
| Budget Discussion | April 3, 2013 | TBD | TBD | TBD | TBD |
| Proposed Final Budget Discussion | May 1, 2013 | TBD | TBD | TBD | TBD |
| Proposed Final Budget Adoption | May 15, 2013 | TBD | TBD | TBD | TBD |
| Final Budget Discussion | June 5, 2013 | TBD | TBD | TBD | TBD |
| Final Budget Adoption | June 19, 2013 | TBD | TBD | TBD | TBD |

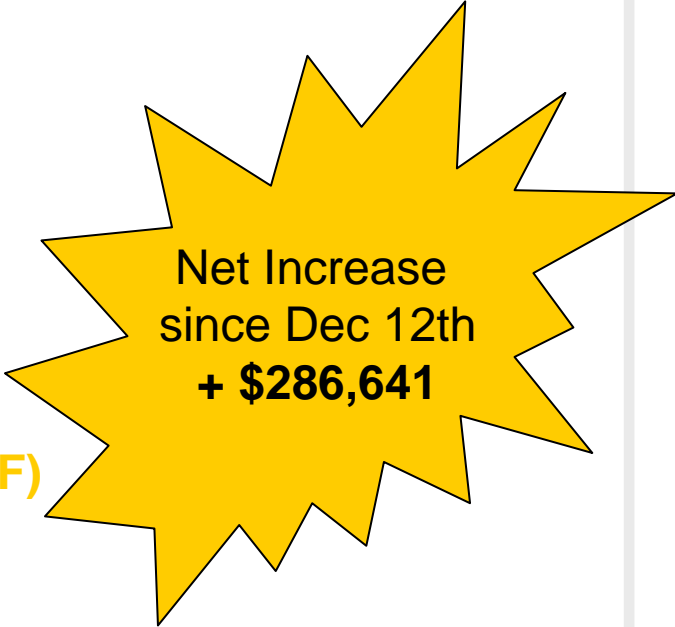
* No change to Salaries & Benefits from initial budget projections.

Revenues



Revenue Assumptions

- Local Sources
 - 96% collection rate
 - **Increase to Earned Income Taxes**
 - Increase to RE Transfer Tax
 - 8% Reduction to IDEA
 - Elimination of Amusement Tax
 - All other revenues relatively flat
- State Sources
 - **Increase in Basic Education Funding (BEF)**
 - Reduction in Rental/Sinking Payments
 - **Decrease to Special Education Funding**
 - Increase to Accountability Block Grant (ABG)
 - Increase to Retirement Reimbursement (PSERS)
- Federal Sources
 - 8% Reduction



Net Increase
since Dec 12th
+ \$286,641

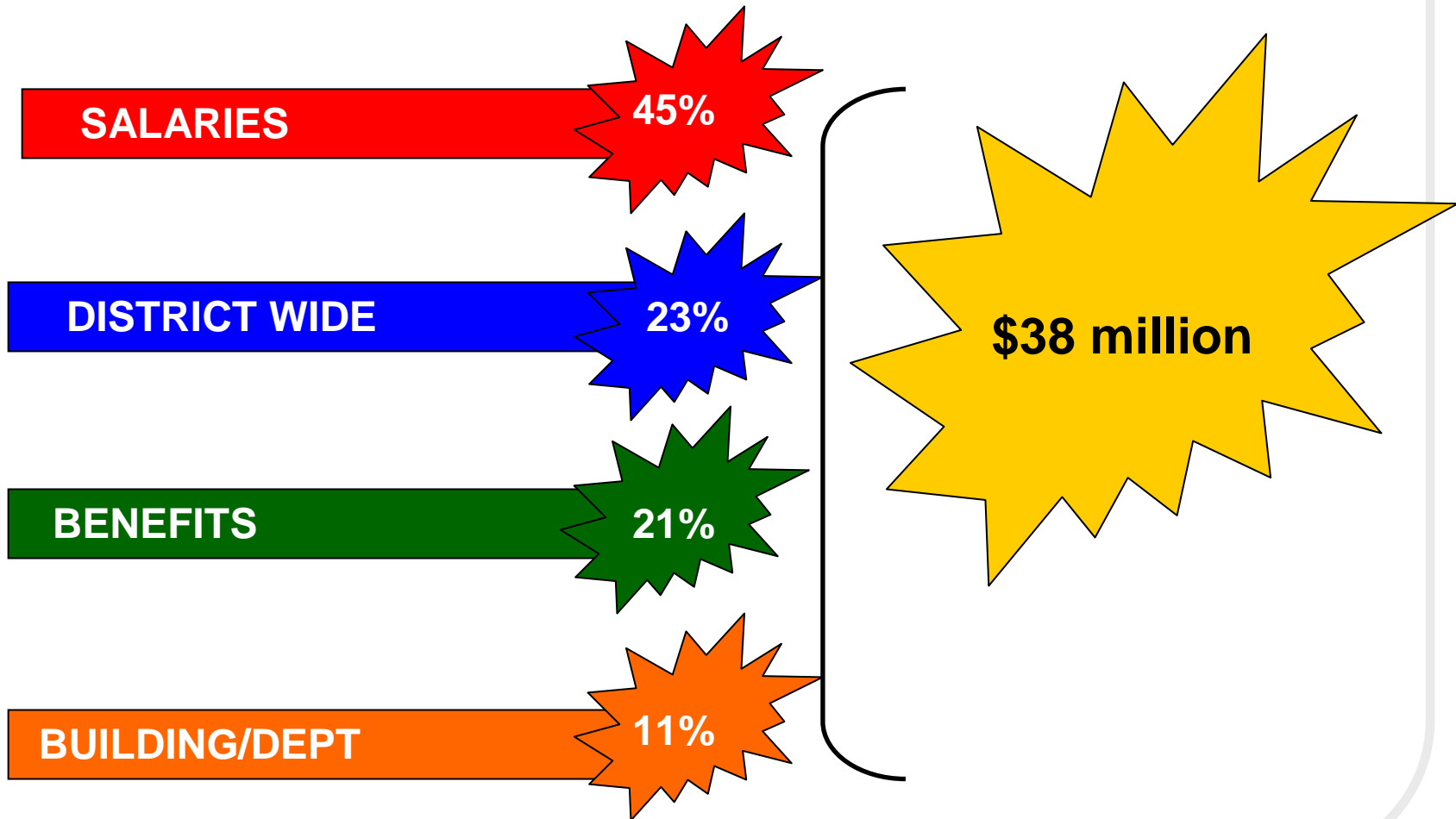
* Items highlighted in **gold** are changes from the December 12th

Revenue Changes

(Since December 12th)

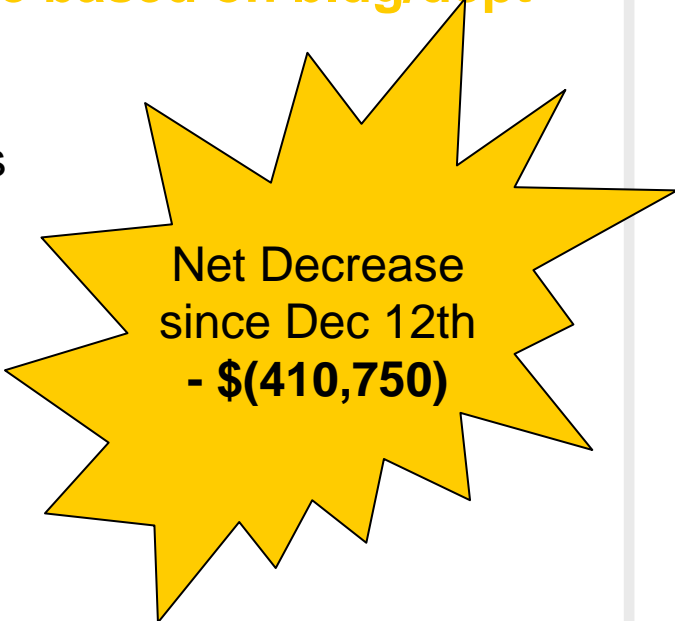
| | |
|---------------------|-------------------|
| ● Earned Income Tax | \$ 200,000 |
| ● Basic Education | 93,023 |
| ● Special Education | <u>(6,382)</u> |
| Net Increase | \$ 286,641 |

Expenditures



Expenditure Assumptions

- **Building/Departments- overall decrease based on bldg/dept meetings**
- Salaries
 - 3% Professionals, Support, Administrators
- Benefits
 - HBS 7% (includes medical & RX)
 - Dental 5%
 - PSERS 16.93%
- District Wide (specific identification)
 - **Special Education**
 - **Cyber/Charter Schools**
 - LCTI
 - LCCC
 - IU
 - Debt payments
 - **OPEB reduction to Annual Required Contribution**



Net Decrease
since Dec 12th
- **\$(410,750)**

* Items highlighted in **gold** are changes from the December 12th

Expenditure Changes

(since December 12th)

| | |
|------------------------|----------------------|
| ● Building/Departments | \$ (19,828) |
| ● Cyber/Charters | 42,200 |
| ● Special Education | (250,041) |
| ● OPEB | (199,860) |
| ● Other Changes | <u>16,779</u> |
| Net Decrease | \$ (410,750) |

Budget Summary

| | Actual 2011-12 | Final 2012-13 | December 12th Budget 2013-14 | March 6th Budget 2013-14 | Change from 2012-13 | % Change from 2012-13 |
|---------------------------------------|-------------------|------------------|------------------------------------|--------------------------------|------------------------|--------------------------|
| Total Building & Departments | \$ 3,408,823 | \$ 4,191,606 | \$ 4,191,606 | \$ 4,171,778 | \$ (19,828) | -0.47% |
| District Wide: | | | | | | |
| Salaries: | | | | | | |
| Professionals | 10,870,120 | 11,330,355 | 11,670,266 | 11,670,266 | 339,911 | |
| Support Staff | 3,760,520 | 3,834,282 | 3,949,310 | 3,949,310 | 115,028 | |
| Administration | 1,553,361 | 1,550,278 | 1,596,786 | 1,596,786 | 46,508 | |
| Tax Collectors | 23,232 | 22,622 | 23,553 | 23,553 | 931 | |
| Total Salaries | 16,207,233 | 16,737,537 | 17,239,915 | 17,239,915 | 502,378 | 3.00% |
| Total Benefits-All Staff | 5,867,371 | 6,769,635 | 7,922,082 | 7,922,082 | 1,152,447 | 17.02% |
| District Wide (Non-Personnel Related) | 7,570,099 | 8,930,188 | 8,813,775 | 8,422,853 | (507,335) | -5.68% |
| Grant Expenditures | 293,629 | 220,000 | 222,983 | 222,983 | 2,983 | 1.36% |
| Estimated Total Expenditures | 33,347,155 | 36,848,966 | 38,390,361 | 37,979,611 | 1,130,646 | 3.07% |
| Estimated Total Revenue | 35,960,071 | 35,950,492 | 36,475,109 | 36,761,750 | 811,258 | |
| Estimated Surplus/(Shortfall) | \$ 2,612,916 | \$ (898,474) | \$ (1,915,252) | \$ (1,217,861) | | |