

2014-15 Proposed Final Budget Presentation

Northwestern Lehigh School District
Board Meeting
April 16, 2014



Agenda

- Budget Goals
- 2014-15 Budget Process Recap
- Proposed Final Budget Presentation

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

2014-2015

2014-15 Budget Recap

DECEMBER 4TH

- High level budget presented to provide board information to adopt the resolution to stay within the Act 1 Index

JANUARY 15TH

- Board adopted resolution to stay within the Act 1 Index

FEBRUARY 12TH

- Budgeting Strategies
 - OPEB
 - Fleet Replacements
 - Diesel/Heating Oil
 - Capital Reserve Transfer
 - PSERS ER rate
 - EBP Rate Stabilization
 - Budgetary Reserve

MARCH 5TH

- Revenue Assumptions
- Expenditure Assumptions

2014-15 Budget Timeline

2014-15 Budget Timeline	Dates	Estimated Revenue	Estimated Expenditures	Estimated Budget Shortfall w/ No Millage Increase	Estimated Budget Shortfall w/ 0.38 Millage Increase (559,433)
Budget Overivew	Dec 4, 2013	\$ 37,357,819	\$ 39,836,168	\$ (2,478,349)	\$ (1,921,053) [1]
Budget Discussion	March 5, 2014	\$ 37,336,069	\$ 39,741,407	\$ (2,405,338)	\$ (1,845,905)
Proposed Final Budget Discussion	April 16, 2014	\$ 37,358,704	\$ 39,521,617	\$ (2,162,913)	\$ (1,603,480)
Proposed Final Budget Adoption	May 7, 2014	TBD	TBD	TBD	TBD
Final Budget Discussion	June 4, 2014	TBD	TBD	TBD	TBD
Final Budget Adoption	June 18, 2014	TBD	TBD	TBD	TBD

[1] Corrected expenditures

14-15 Budget Summary- April 16th

	Actual 2012-13	Final 2013-14	March 5, 2014 Budget 2014-15	April 16, 2014 Budget 2014-15	Change from March 5th
Total Building & Departments	\$ 3,872,388	\$ 4,063,041	\$ 4,153,518	4,270,120	\$ 116,602
Total Salaries	16,324,477	17,005,161	17,514,908	17,214,993	(299,915)
Total Benefits-All Staff	6,512,839	7,679,737	9,148,906	9,009,210	(139,696)
District Wide (Non-Personnel Related)	7,471,180	8,328,529	8,760,278	8,813,497	53,219
Grant Expenditures	248,432	222,447	213,797	213,797	-
Estimated Total Expenditures	34,429,316	37,298,915	39,791,407	39,521,617	(269,790)
Estimated Total Revenue	36,093,822	36,845,817	37,336,069	37,358,704	22,635
Estimated Surplus/(Shortfall)	\$ 1,664,506	\$ (453,098)	\$ (2,455,338)	(2,162,913)	292,425



**Additional
Reduction \$292,425**

Changes from March 5th

- Revenues
 - Changes in assessment base (+/-)
 - (+) \$22,635
- Expenditures
 - Buildings & Departments
 - (+) \$116,602
 - Salaries
 - (-) \$299,915
 - Benefits
 - (-) \$139,696
 - District-Wide & Grants
 - (+) \$53,219

Net Revenue Change

(+) \$22,635

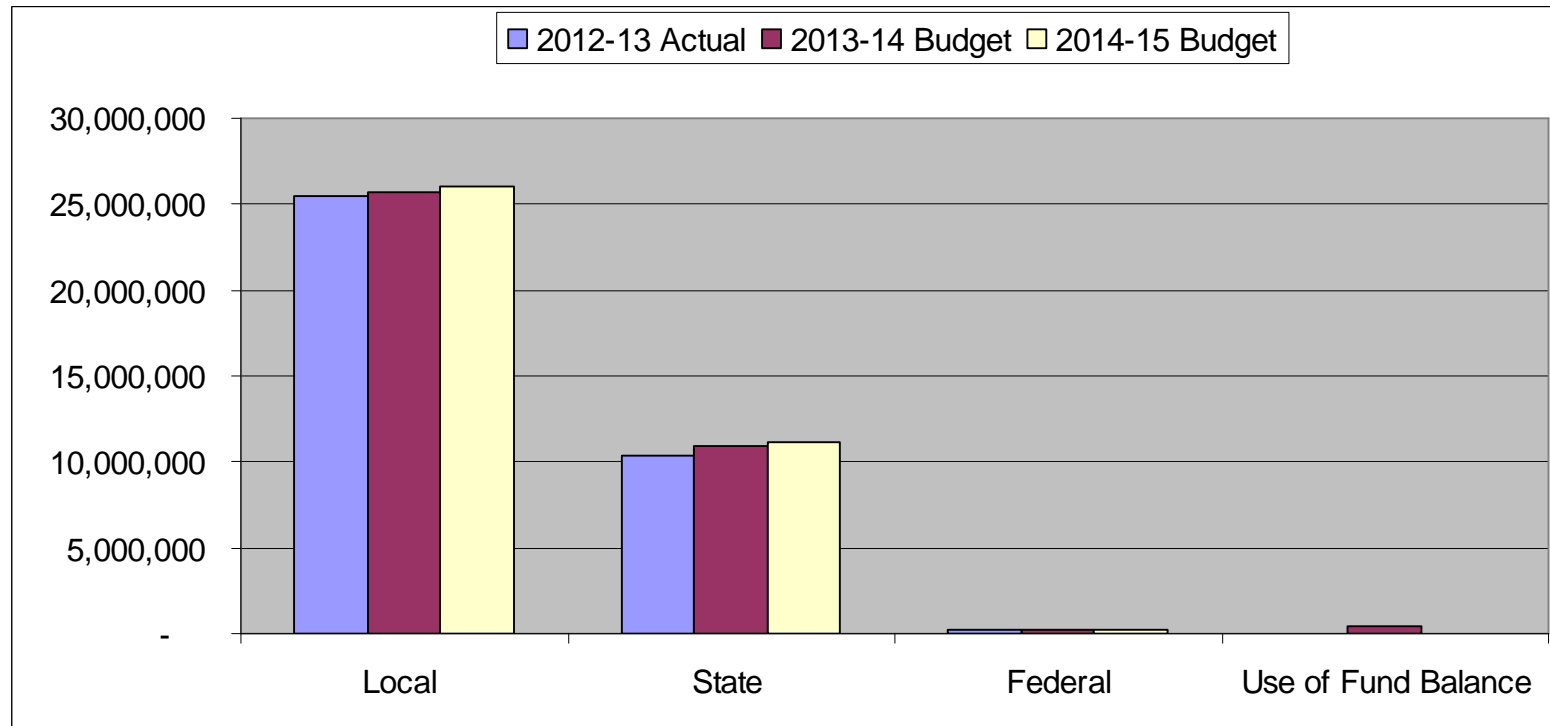
Net Expenditure Change

(-) \$269,790

2014-15 Proposed Final Budget Overview Packet

Page #	Description
1-4	Revenues
5	Assessment Data
6	Major Category Summary (Expanded)
7	Per Student Spending
8-13	Supplemental Schedules (PSERS, Oil/Diesel, OPEB, EBP, FB)
14-23	Expenditures

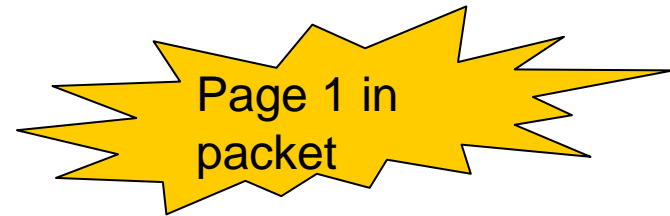
Revenues- Three (3) Year Compare



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packet

Revenue Changes from prior yr.

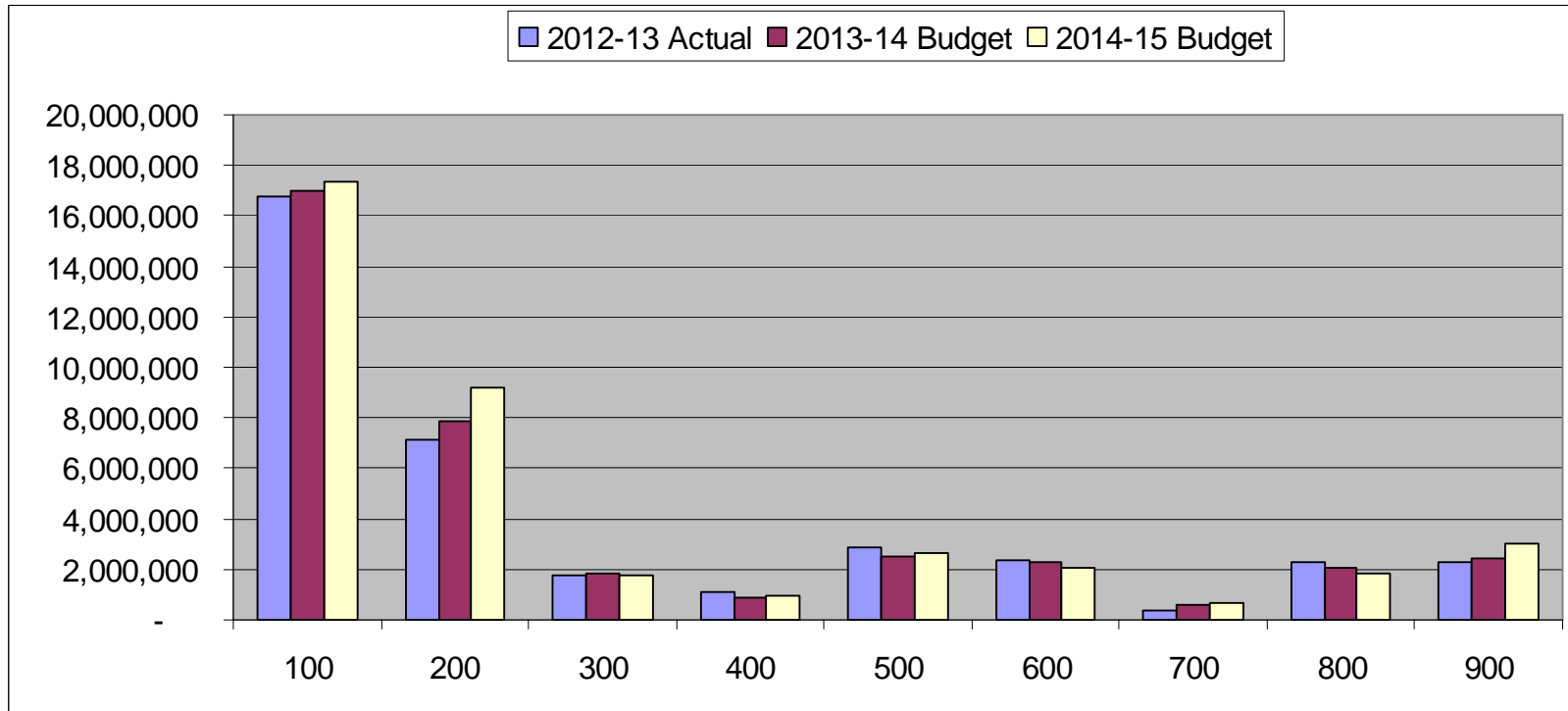
- Local Revenue
 - (+) \$276,086
- State Revenue
 - (+) \$245,451
- Federal Revenue
 - (-) \$8,650



NET REVENUE CHANGES

(+) \$512,887

Expenditures by Object- Three (3) Year Compare



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packet

Expenditure Changes from prior yr.

- Salaries (100)
 - (+) \$379,959
- Benefits (200)
 - (+) \$1,329,473
- Prof & Tech Services (300)
 - (-) \$68,657
- Property Services (400)
 - (+) \$43,871
- Other Services (500)
 - (+) \$206,231
- Supplies (600)
 - (-) \$(221,336)
- Property (700)
 - (+) \$115,031
- Other Financing Uses (800 & 900)
 - (+) \$438,130

NET EXPENDITURE CHANGES

(+) \$2,222,702

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packet

Staffing Recap

Total Estimated Annual Savings \$

- 2009-10 to 2012-13
- 2013-14

Data necessary to complete this slide is not readily available.

This information will be inserted at a later date when it becomes available.

Impact of Staffing Changes

2014-15 Budgeted Salaries	\$ 17,385,120	
2008-09 Salaries	16,667,584	
	<u>717,536</u>	4.30%
Est. 2014-15 Salaries w/2% Annual Increase	18,770,407	
2008-09 Salaries	16,667,584	
	<u>2,102,823</u>	12.62%
Impact of Staffing Changes	\$ (1,385,287)	

Benefit Recap

- 14-15 Renewals for Healthcare
 - ↑ Medical increases ranged + 13.4% to 19.4% for medical
 - & 17.0 to 17.1% for Rx
 - 0% rate hold for dental
- PSERS 21.4% (16.93% in 13-14)
- Workers' Compensation estimated renewal \$214,728, increase of \$24,747 (13%)
- Minimal increase to other benefits
 - Life – estimated 5%
 - LTD – estimated 5%
 - U/C

Estimated Use of Fund Balance

Estimated Shortfall - April 16th	\$	2,162,913
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Committed

PSERS Stabilization	\$	503,000	*
Diesel/Oil Stabilization	\$	108,750	*
Electric Stabilization	\$	25,000	*
Emmaus Bond Pool - 1%	\$	80,000	*
Cash Defeasance-2007A	\$	190,850	*
Textbooks	\$	300,000	*
Total	\$	1,207,600	

Unassigned

Budgetary Reserve	\$	400,000
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Grand Total	\$	1,607,600
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* Amount requiring board action for use in 2014-15

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packet

Open Budget Items

- Final staffing plans (May)
- Diesel/Oil bid prices (May)
- Custodial Outsource (NWE)
- Purchase of Technology Server
- Purchase of Tractor/snow removal equip
- State Revenues (including Ready 2 Learn Block Funding)

2014-15 Budget Summary

Total Revenues	\$37,358,704
Total Expenditures	<u>\$39,521,617</u>
Shortfall	(\$ 2,162,913)

This budget includes a **0 TAX MILLAGE INCREASE**, and includes **\$1,607,600 USE OF FUND BALANCE** to fund a portion of the estimated shortfall. An additional **\$555,313 in budget cuts** need to be implemented, or additional use of fund balance will be necessary to maintain a 0 mill increase.