



2015-16 Budget Discussion

Northwestern Lehigh School District
Board Meeting
April 15, 2015

Agenda

- Budget Goals
- 2015-16 Budget Process Recap
- Budget Update and Discussion

Budget Goals

- Provide instructional programs to meet Chapter 4 requirements in core content areas and in the related arts
- Provide staffing to meet instructional and operational needs
- Commit to long range technology planning to support ongoing technology initiatives
- Implement a Facilities Master Plan to address ongoing facility needs
- 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

2015-2016

2015-16 Budget Recap

DECEMBER 3rd

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

JANUARY 21st

- Board adopted resolution to stay within the Act 1 Index

FEBRUARY 4TH

- Budgeting Strategies
 - OPEB
 - Fleet Replacements
 - Capital Reserve Transfer
 - PSERS ER rate
 - EBP Rate Stabilization
 - Technology Plan
 - Curriculum
Textbooks/Materials
 - Budgetary Reserve


2015-16 Budget Timeline

| 2015-16 Budget Timeline | Dates | Estimated Revenue | Estimated Expenditures | Estimated Budget Shortfall w/NO Millage Increase |
|----------------------------------|-------------------|-------------------|------------------------|--|
| Budget Overview | Dec 3rd | 39,137,190 | 40,955,868 | (1,818,678) |
| Budget Discussion | Feb 4th | 39,137,190 | 40,955,868 | (1,818,678) |
| Budget Discussion | April 15th | 39,446,557 | 43,466,777 | (4,020,220) |
| Proposed Final Budget Discussion | May 6th | TBD | TBD | TBD |
| Proposed Final Budget Adoption | May 13th | TBD | TBD | TBD |
| Final Budget Discussion | June 3rd | TBD | TBD | TBD |
| Final Budget Adoption | June 17th | TBD | TBD | TBD |

NOTE: Increase to expenditures driven by scheduled use of fund balance for Capital Projects transfer.

15-16 Budget Summary- April 15th

| | Actual 2013-14 | Final 2014-15 | Dec 3, 2014 Budget 2015-16 | April 15, 2015 Budget 2015-16 | Change from Dec 3rd |
|---|-------------------|------------------|----------------------------------|-------------------------------------|------------------------|
| Total Building & Departments | \$ 3,979,065 | \$ 2,789,319 | \$ 2,789,319 | \$ 2,920,171 | \$ 130,852 |
| District Wide: | | | | | |
| Total Salaries | 16,436,691 | 16,980,417 | 17,489,830 | 17,237,408 | (252,422) |
| Total Benefits-All Staff | 7,360,926 | 8,805,947 | 9,923,790 | 9,671,193 | (252,597) |
| District Wide (Non-Personnel Related) | 7,968,706 | 10,316,863 | 10,313,883 | 13,424,208 | \$ 3,110,325 |
| Grant Expenditures | 209,771 | 439,046 | 439,046 | 213,797 | \$ (225,249) |
| Estimated Total Expenditures | 35,955,158 | 39,331,592 | 40,955,868 | 43,466,777 | \$ 2,510,909 |
| Estimated Total Revenue | 37,137,190 | 38,153,393 | 39,137,190 | 39,446,557 | 309,367 |
| Estimated Surplus/(Shortfall) before FB | | (1,178,199) | (1,818,678) | (4,020,220) | \$ (2,201,542) |
| Fund Balance Transfer for Capital Projects | | | | 2,750,000 | |
| Estimated Surplus/(Shortfall) | | | | (1,270,220) | (548,458) |



**Additional
Reduction
(\$548,458,) not
including the FB
transfer for Capital
Projects**

Changes from Dec 3rd

- Local
 - Changes in assessment base
 - (+) \$33,000
- State
 - Changes based on Governor's Budget
 - (+) \$277,000

Net Revenue Change

(+) \$310,000

- Expenditures
 - Buildings & Departments
 - (+) \$131,000
 - Salaries
 - (-) \$253,000
 - Benefits
 - (-) \$253,000
 - District-Wide & Grants
 - (+) \$2,885,000

Net Expenditure Change

(+) \$2,510,000

Building & Department Budget Recap

- Increase to Technology budget based on new Technology Plan
- Minimal changes to other building & department budgets

**Net INCREASE
of (+) \$131,000**

Staffing Recap

| | Professional Staff | Support Staff | Administrators | Total |
|--------------------------------|---------------------------|----------------------|-----------------------|--------------|
| High School | 54 | 15 | 2 | 71 |
| Middle School | 44 | 18 | 2 | 64 |
| Northwestern Elementary | 36 | 18 | 1 | 55 |
| Weisenberg Elementary | 33 | 22 | 1 | 56 |
| District Wide | 5 | 88 | 9 | 102 |
| Total | 172 | 161 | 15 | 348 |

NOTE: Staff count is based upon current 1415 staffing levels. Final staffing plan will be presented in May.

Staffing Recap

- Specific identification of current staff
 - Changes that occurred during 2014-15 have been incorporated into the 2015-16 budget
 - Update on Kindergarten & 1st Grade
- Placeholder for anticipated replacements/new positions
- Placeholder for anticipated leaves (sabb & FMLA)

**Net DECREASE
to Salaries (-) \$253,000**

Benefit Recap

- 15-16 Renewals for Healthcare
 - Medical/Prescription increases 3%
 - Dental rate hold 0%
 - Implementation of new plan designs for some employee groups effective July 1st (medical, RX, dental) Estimated Savings 13% compared to premiums on PPO B
- PSERS Employer Contribution Rate 25.84% (21.40% in 14-15)
- Minimal changes to other benefits

**Net DECREASE
to benefits (-) \$253,000**

District Wide & Grants Recap

- Specific identification of anticipated expenditures for IU, LCTI, LCCC
- Updated budget amounts for anticipated charter/cyber students
- Updated insurance renewal estimates
- Budgeted use of Fund Balance for Capital Projects
- Increases for additional Technology Plan funding and offsetting expenditures for anticipated increased State Funding
- Other minimal changes and reclassifications
- Reduction in grants based on elimination of Ready to Learn Grant

**Net INCREASE
of (+) \$ 2,882,000**

Estimated Use of Fund Balance

| | | |
|---|---|--------------------|
| Estimated Shortfall- April 15th | | 4,020,220 |
| Committed | | |
| Emmaus Bond Pool Stabilization | * | (1,700,000) |
| Energy Stabilization | * | (1,050,000) |
| PSERS Stabilization | * | (570,220) |
| Assigned | | |
| Curriculum Textbooks/Materials | | (140,000) |
| Technology | | (300,000) |
| Unassigned | | |
| Budgetary Reserve | | (260,000) |
| Grand Total | | (4,020,220) |
| * Amount requires board action for use in 2015-16 | | |

Open Budget Items

- Local Revenues
 - Potential additional TIF revenues
 - Changes based on trends and year-to-date collections in other categories
- State Revenues
- Final staffing plans (May)
- Final Insurance Renewal Adjustments
- Potential Changes to Utilities based on usage (oil, electric)
- Additional Capital Project Planning

2015-16 Budget Summary

| | |
|--------------------|---------------------|
| Total Revenues | \$39,446,557 |
| Total Expenditures | <u>\$43,466,777</u> |
| Shortfall | (\$ 4,020,220) |

This budget includes a o TAX MILLAGE INCREASE,
and includes \$4,020,220 USE OF FUND BALANCE
to fund the estimated shortfall. Additional updates will occur as the
budget is refined for Final Budget Adoption in June.