



# 2016-2017 BUDGET DISCUSSION

Northwestern Lehigh School District  
Board Meeting  
April 20, 2016

# Agenda

- Budget Goals
- 2016-17 Budget Process Recap
- Budget Update and Discussion
- Updated 5 year projections

# 2016-17 Budget Goals

- Implement strategic planning mission, vision & 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
- 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

# 2016-17 Budget Recap


## DECEMBER 7th

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

## FEBRUARY 3rd

- Budgeting Strategies
  - *Other Post Employment Benefits (OPEB)*
  - *Fleet Replacements*
  - *Capital Reserve Transfer*
  - *PSERS employer rate funding*
  - *Emmaus Bond Pool (EBP) Rate Stabilization*
  - *Technology Plan*
  - *Curriculum Textbook/Materials*
  - *Budgetary Reserve*

# 2016-17 Act 1 Budget Timeline

Date/Deadline	NWL Action Date	Description
December 31, 2015	Lehigh County sends letters on district's behalf	Homestead Notice sent to eligible property owners
January 12, 2016	December 7, 2015	Submit to PDE Opt-out Resolution
	 January-April Board Workshops/Meetings	Budget discussions/presentations
	May Board Workshop May 4, 2016	Presentation of Proposed Final Budget
May 1, 2016		PDE notifies district of gaming revenue allocation
May 30, 2016	May 11, 2016 * (2 <sup>nd</sup> Wed)	Proposed Final Budget Adoption
May 31, 2016		Deadline to report tax rates to DCED
	June Board Workshop	Presentation of Final Budget
June 30, 2016	June 15, 2016	Final Budget Adoption
July 1, 2016	June 16, 2016	Tax bills are released to printer and mailed to taxpayers July 1st

# 2016-17 Budget Summary- April 20th

	Actual 2014-15	Final 2015-16	Dec 7, 2015 Budget 2016-17	April 20, 2016 Budget 2016-17	Change from Dec
Total Building & Departments	\$ 2,684,326	\$ 2,914,441	\$ 2,941,678	\$ 2,958,172	\$ 16,494
District Wide:					
Total Salaries	16,726,593	17,158,645	17,742,039	18,111,384	369,345
Total Benefits-All Staff	8,667,590	9,518,562	10,431,638	10,681,331	249,693
District Wide & Grants	9,149,850	13,919,475	10,315,249	10,485,508	170,259
Estimated Total Expenditures	37,228,359	43,511,123	41,430,604	42,236,395	805,791
Estimated Total Revenue	38,515,324	39,599,749	39,517,118	40,413,800	896,682
Estimated Surplus/(Shortfall) before FB	1,286,965	(3,911,374)	(1,913,486)	(1,822,595)	90,891
NOTE: Shortfall in 2015-16 included a fund balance transfer for capital projects of \$2,750,000.					

**Additional  
Reduction \$90,891**

# Updated Revenue Projections

<b>Local</b>	
Changes in estimated TIF revenues	\$ 80,000
Interim Real Estate Taxes	50,000
Transfer Taxes	100,000
Delinquent Real Estate Taxes	25,000
Investment Earnings	125,000
IDEA	14,000
Contributions/Donations	60,000
Transportation Fees	7,000
1:1 Computer Insurance Fund	31,000
	<u>\$ 492,000</u>
<b>State</b>	
Changes based on Governor's budget and updated estimates	\$ 405,000
<b>Total Increase to Revenues</b>	<b><u>\$ 897,000</u></b>

Amounts reflect changes to budgeted revenues compared to the December 7<sup>th</sup> presented budget

# Updated Expenditure Projections

<b>Expenditures</b>	
Building & Department Budgets	\$ 17,000
Salaries	369,000
Benefits	250,000
District-Wide & Grants	170,000
<b>Total Increase to Expenditures</b>	<b>\$ 806,000</b>
<b>Net Reduction to Estimated Budget Shortfall</b>	<b>\$ (91,000)</b>

Amounts reflect changes to budgeted expenditures compared to the December 7<sup>th</sup> presented budget



# Building & Department Budget Recap

- Increase to building budgets based on per student allocations
- Increase to Technology budget based on software subscription costs & phone services
- Reclassification of insurance from B&G and Transportation to district wide budget
- Increase to Transportation for additional budgeted bus purchase
- Increase to Athletic budget for athletic trainer contract & other additional adjustments
- Minimal changes to other building & department budgets



**Net INCREASE  
of (+) \$17,000**


# Staffing Recap

2015-2016	Professional Staff	Support Staff	Administrators	Total
High School	57	13	2	72
Middle School	47	17	2	66
Northwestern Elementary	35	18	1	54
Weisenberg Elementary	31	21	1	53
District Wide	6	116	9	131
Total	176	185	15	376

NOTE: Staff count is based upon current 1516 staffing levels & includes Food Service Employees. Final staffing plan will be presented in May.

# Staffing Recap

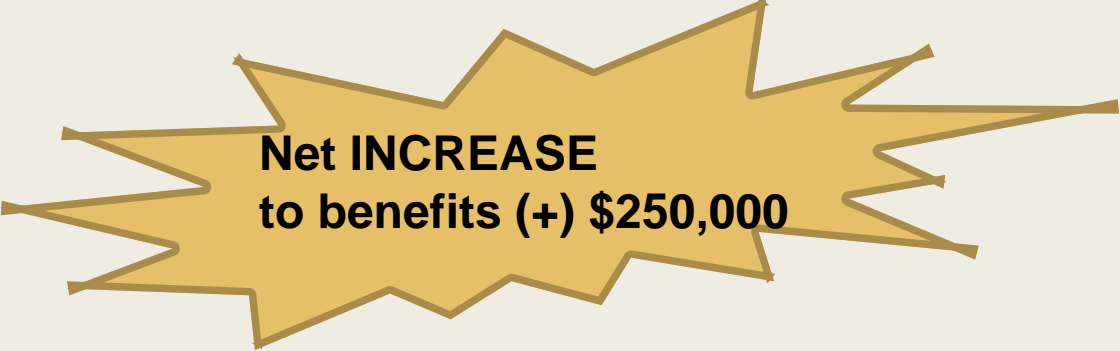
- Specific identification of current staff
  - *Changes that occurred during 2015-16 have been incorporated into the 2016-17 budget*
  - *Estimates are included based on Fact Finding Report for Professional Staff*
- Placeholder for anticipated replacements/new positions
- Placeholder for anticipated leaves (sabbaticals & FMLA)



**Net INCREASE  
to Salaries (+) \$369,000**

# Benefit Recap

- 16-17 Renewals for Healthcare
  - *Medical/Prescription increases 1.5%*
  - *Dental rate hold 0%*
- PSERS Employer Contribution Rate 30.03% (29.27% included in December budget)
- Minimal changes to other benefits



**Net INCREASE  
to benefits (+) \$250,000**






# District Wide & Grants Recap

- Specific identification of anticipated expenditures for IU, LCTI, LCCC
- Increased estimates for anticipated charter/cyber students
- Increased estimates for special education services
- Additional EITC funds
- Updated insurance renewal estimates and reclassification of budget funds from B&G and Transportation
- Reduced legal fees
- Updated utility estimates (heating oil & electric)
- Updated Transportation Contract estimates for Brandywine
- Other minimal changes and reclassifications



**Net INCREASE  
of (+) \$ 170,000**

# Estimated Use of Fund Balance

Estimated Shortfall- April 20th		<u>(1,822,595)</u>
<b>Committed</b>		
Emmaus Bond Pool Stabilization	* 	(150,000)
OPEB	* 	(100,000)
PSERS Stabilization	* 	(637,000)
Millage Stabilization	* 	(125,000)
<b>Assigned</b>		
Curriculum Textbooks/Materials		(258,000)
Technology		(65,000)
Buses		(90,000)
<b>Unassigned</b>		
Budgetary Reserve		(397,595)
<b>Grand Total</b>		<u><b>(1,822,595)</b></u>
* Amount requires board action for use in 2016-17 in accordance with Board Policy 620.		

# Open Budget Items

- Local Revenues
  - *Final Assessed Value from Lehigh County Assessment Office*
  - *Changes based on trends and year-to-date collections in other categories*
- State Revenues
- Final staffing plans (May)
- Final Insurance Renewal Adjustments
- Additional Capital Project Planning

# 2016-17 Budget Summary

Total Revenues	\$40,413,800
Total Expenditures	<u>\$42,236,395</u>
Shortfall	(\$ 1,822,595)

This budget includes a 0 TAX MILLAGE INCREASE,  
and includes \$1,822,595 USE OF FUND BALANCE

to fund the estimated shortfall. Additional updates will occur as the budget is refined for Final Budget Adoption in June.



## Five Year Budget Shortfall Projections



	<b>16-17</b>	<b>17-18</b>	<b>18-19</b>	<b>19-20</b>	<b>20-21</b>	<b>21-22</b>
Shortfall-Tax Increase	(1,822,595)	(2,643,312)	(2,855,178)	(2,932,282)	(2,817,314)	(2,760,241)
Shortfall- NO Tax Increase	(1,822,595)	(3,249,020)	(3,482,237)	(3,581,445)	(3,489,359)	(3,455,976)
Difference (potential tax increase)		(605,708)	(627,059)	(649,163)	(672,045)	(695,735)