



# 2016-2017 PROPOSED FINAL BUDGET

Northwestern Lehigh School District  
Board Workshop Meeting  
May 4, 2016

# Agenda

- Budget Goals
- 2016-2017 Budget Process Recap
- Proposed Final Budget Presentation

# 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

## MARCH 20TH

- Updated budget assumptions and estimated amounts

# 2016-2017 Budget Timeline

1617 Budget Timeline	Dates	Estimated Revenues	Estimated Expenditures	Shortfall w/NO Millage Increase
Budget Overview	Dec 7 <sup>th</sup>	\$39,517,118	\$41,430,604	(\$1,913,486)
Budget Discussion	April 20 <sup>th</sup>	\$40,413,800	\$42,236,395	(\$1,822,595)
<b>Proposed Final Budget</b>	<b>May 4<sup>th</sup>/ May 11<sup>th</sup></b>	<b>\$40,608,800</b>	<b>\$41,984,251</b>	<b>(\$1,375,451)</b>
Final Budget	June 3 <sup>rd</sup> / June 17 <sup>th</sup>	TBD	TBD	TBD

# 1617 Budget Summary- May 11th

	Final 2015-16	Dec 7, 2015 Budget 2016-17	April 20, 2016 Budget 2016-17	Proposed Final Budget 2016-17	Change from April	Change from 2015-16
Total Building & Departments	\$ 2,914,441	\$ 2,941,678	\$ 2,958,172	\$ 2,957,672	\$ (500)	\$ 43,231
District Wide:						
Salaries:						
Total Salaries	17,158,645	17,742,039	18,111,384	17,982,447	(128,937)	823,802
Total Benefits-All Staff	9,518,562	10,431,638	10,681,331	10,608,624	(72,707)	1,090,062
District Wide & Grants	13,919,475	10,315,249	10,485,508	10,435,508	(50,000)	(3,483,967)
Total Expenditures	43,511,123	41,430,604	42,236,395	41,984,251	(252,144)	(1,526,872)
Total Revenue	39,599,749	39,517,118	40,413,800	40,608,800	195,000	1,009,051
Surplus/(Shortfall) before FB	(3,911,374)	(1,913,486)	(1,822,595)	(1,375,451)	447,144	

NOTE: Shortfall in 2015-16 included a fund balance transfer for capital projects of \$2,850,000.

**\$447,000 decrease to shortfall  
from April 20<sup>th</sup>**

# Changes from April 20th

Category	Change from April 20 <sup>th</sup>
Local Revenues:	
Increase to Interim Taxes for TIF building	<u>(+) 195,000</u>
<b>NET CHANGE</b>	<b>(+) 195,000</b>

Category	Change from April 20 <sup>th</sup>
Expenditures:	
Buildings/Dept	(-) 500
Salaries	(-) 129,000
Benefits	(-) 73,000
District Wide/Grants	<u>(-) 50,000</u>
<b>NET CHANGE</b>	<b>(-) 252,000</b>

# Revenues

	Actual 2014-15	Final Budget 2015-16	Proposed Final Budget 2016- 17	Increase /(Decrease) over Prior Year
Local	\$26,964,480	\$27,258,140	\$27,833,291	\$575,151
State	\$11,340,881	\$12,128,296	\$12,565,499	\$437,203
Federal	<u>\$209,963</u>	<u>\$213,313</u>	<u>\$210,010</u>	<u>(\$3,303)</u>
Total	\$38,515,324	\$39,599,749	\$40,608,800	\$1,009,050



# Revenues-Local Variances

Category	Increase /(Decrease) over Prior Year
Real Estate Taxes	(\$ 76,000)
Interim Real Estate Taxes	275,000
Real Estate Transfer Taxes	100,000
Delinquent Real Estate Taxes	50,000
Interest Earnings	125,000
Fees	36,000
Capital Contributions	50,000
All other Local Sources	<u>15,000</u>
<b>Total Variance</b>	<b>\$575,000</b>

# Revenues-State Variances

Category	Increase /(Decrease) over Prior Year
Basic Education Funding	(\$ 117,000)
Transportation	72,000
Rental & Sinking Payments	( 20,000)
Social Security Reimbursement	31,000
Retirement Reimbursement	478,000
All Other State Sources	( 7,000)
<b>Total Variance</b>	<b>\$437,000</b>

# Revenues-Federal Variances

Category	Increase /(Decrease) over Prior Year
Total Variance	( \$3,000)

# Millage Rate History

Year	Millage	Increase in Mills	% Increase	Estimated Value of 1 Mill
<b>2016-17</b>	<b>15.9631</b>	<b>0.00</b>	<b>0.00%</b>	<b>\$1,502,742</b>
2015-16	15.9631	0.00	0.00%	\$1,498,438
2014-15	15.9631	0.00	0.00%	\$1,453,559
2013-14 * reassessment	15.9631	0.00	0.00%	\$1,385,373
2012-13	50.66	0.00	0.00%	\$446,151
2011-12	50.66	0.00	0.00%	\$444,369
2010-11	50.66	1.25	2.53%	\$431,599
2009-10	49.41	2.00	4.22%	\$427,533

# Lehigh County Millage Rates

	District	2014-15 Millage	2015-16 Millage	Change	% Change
1	Northern Lehigh	20.7644	21.1475	0.3831	1.84%
2	Allentown	18.3287	18.3287	0.0000	0.00%
3	Salisbury Township	17.4956	17.7055	0.2099	1.20%
4	East Penn	16.6490	17.2150	0.5660	3.40%
5	Catasauqua	16.3100	16.3100	0.0000	0.00%
6	Northwestern Lehigh	15.9631	15.9631	<b>0.0000</b>	<b>0.00%</b>
7	Whitehall Coplay	15.4186	15.8523	0.4337	2.81%
8	Southern Lehigh	15.3700	15.3700	0.0000	0.00%
9	Parkland	14.1900	14.4500	0.2600	1.83%
	Average	16.7210	16.9269	0.2059	1.23%

# Expenditure Changes from 2016-17

Category	Change from 2016-17
Salaries (100)	(+) 977,000
Benefits (200)	(+) 937,000
Professional & Tech Services (300)	(-) 52,000
Property Services (400)	(-) 174,000

Category	Change from 2016-17
Other Services (500)	(+) 179,000
Supplies (600)	(+) 92,000
Property (700)	(+) 167,000
Other Financing Uses (800/900)	<u>(-) 3,653,000</u>
<b>NET CHANGE</b>	<b>(-) 1,527,000</b>

# 100-Salaries

Actual 2014-15	Final Budget 2015-16	Proposed Final Budget 2016-17	Increase
\$16,726,593	\$17,158,645	\$18,135,447	\$976,802

- Professional salaries have been updated to reflect settlement of CBA
- Projections based on current and proposed staffing needs which include three retirements, placeholder for one new teacher, and eight sabbaticals/leaves
- Changes to budgeted hours based on historical trend and needs

# Projected Staffing

	Professional	Support	Admin	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	117	9	132
Total	176	186	15	377

NOTE: Staff count is based upon anticipated 1516 staffing levels.

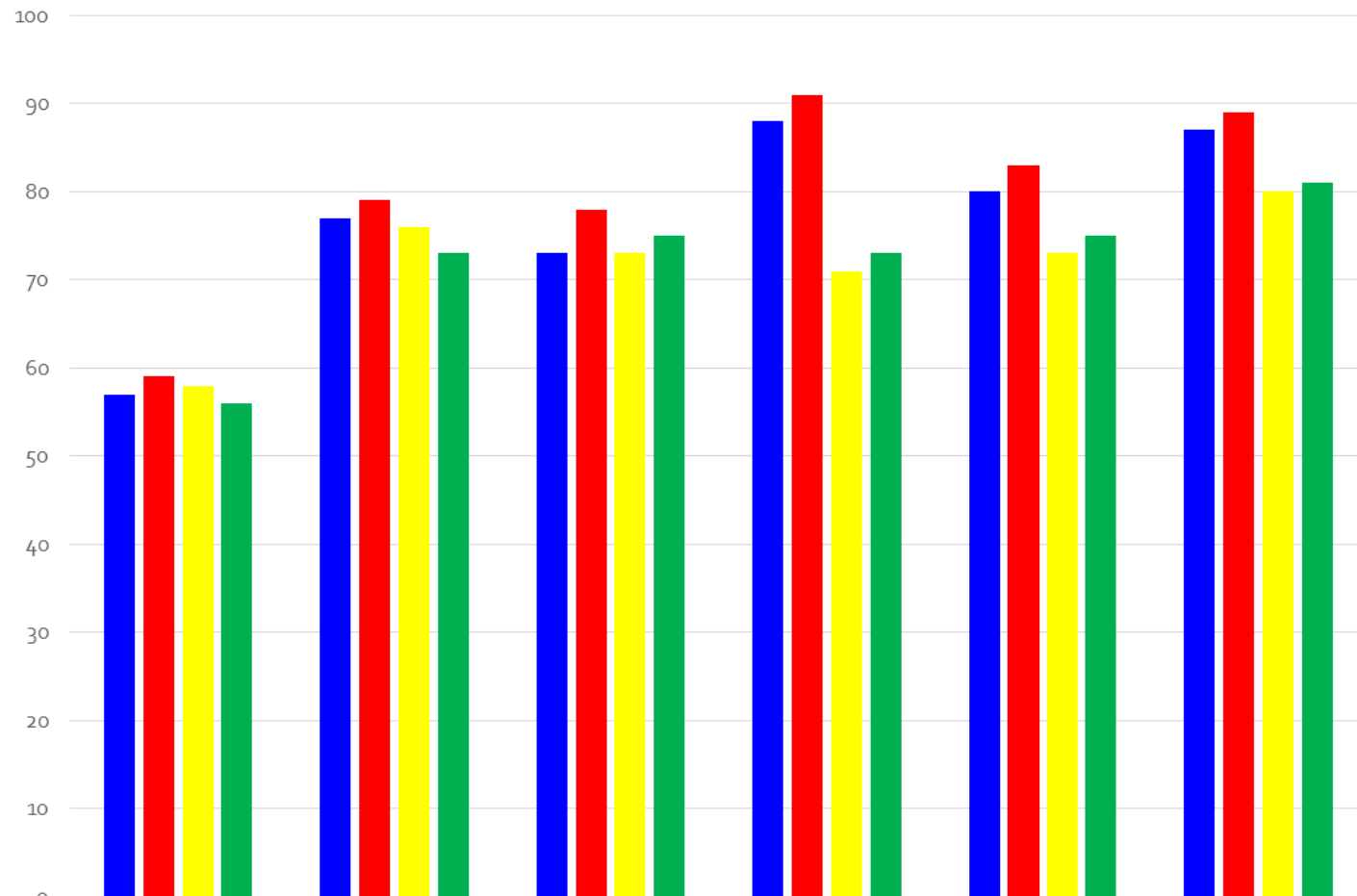


# Elementary Classroom

## Predictions v Actual for 2015-2016

Grade Guidelines	NWE Total Students 462/479	WEIS Total Students 431/432
KDG 17-22	49+8 3@ 19 <b>59: 18, 20, 21</b>	50+8 3@ 19, 20 <b>56: 19, 19, 18</b>
1 <sup>st</sup> Grade 17-22	72+5 4@ 19, 20 <b>79: 19, 20, 20, 20</b>	70+6 4@ 19 <b>73: 18, 18, 18, 19</b>
2 <sup>nd</sup> Grade 18-24	73 4@ 18, 19 <b>78: 19, 19, 20, 20</b>	73 4@ 18, 19 <b>75: 18, 18, 19, 20</b>
3 <sup>rd</sup> Grade 18-24	88 4@ 22 <b>91: 22, 23, 23, 23</b>	71 4@ 17, 18 <b>73: 18, 18, 19, 19</b>
4 <sup>th</sup> Grade 18-25	80 4@ 20 <b>83: 20, 20, 21, 22</b>	73 3@ 24, 25 <b>75: 24, 25, 26</b>
5 <sup>th</sup> Grade 18-25	87 4@ 21, 22 <b>89: 21, 22, 23, 23</b>	80 4@ 20 <b>81: 20, 20, 20, 21</b>

## Elementary Enrollment-Predicted vs Actual 2015-16



	K	1st	2nd	3rd	4th	5th
NW Predicted	57	77	73	88	80	87
NW Actual	59	79	78	91	83	89
Weis Predicted	58	76	73	71	73	80
Weis Actual	56	73	75	73	75	81

■ NW Predicted   
 ■ NW Actual   
 ■ Weis Predicted   
 ■ Weis Actual

# Enrollment Comparison from April Registration to Start of Kdg

Timeframe	NWE		WEIS	
April 2011	74		70	
August 2011	68	-6	68	-2
April 2012	86		42	
August 2012	94	+8	60	+18
April 2013	57		64	
August 2013	66	+9	72	+8
April 2014	64		59	
August 2014	73	+9	68	+9
April 2015	49	+8 Anticipated	50	+8 Anticipated
August 2015	<b>56</b>	<b>+7 Actual</b>	<b>56</b>	<b>+6 Actual</b>
April 2016	<b>63</b>		<b>55</b>	
August 2016	<b>70</b>	<b>+7 Anticipated</b>	<b>62</b>	<b>+7 Anticipated</b>

# Enrollment Comparison from End of Kindergarten to Start of 1<sup>st</sup> Grade

Timeframe	NWE		WEIS	
June 2010 (end K)	92		75	
Aug 2010 (start 1 <sup>st</sup> )	99	+7	76	+1
June 2011 (end K)	78		69	
Aug 2011 (start 1 <sup>st</sup> )	85	+7	74	+5
June 2012 (end K)	78		69	
Aug 2012 (start 1 <sup>st</sup> )	84	+6	79	+10
June 2013 (end K)	92		64	
Aug 2013 (start 1 <sup>st</sup> )	90	-2	72	+8
June 2014 (end K)	65		67	
Aug 2014 (start 1 <sup>st</sup> )	73	+8	74	+7
June 2015 (end K)	73	+5 Anticipated	70	+6 Anticipated
August 2015 (start 1 <sup>st</sup> )	78	<b>+5 Actual</b>	73	<b>+3 Actual</b>
June 2016 (end K)	79	<b>+6 Anticipated</b>	57	<b>+6 Anticipated</b>

# Elementary Classroom Recommendations for 2016-2017

Grade Guidelines	NWE Total Students 458	WEIS Total Students 431
KDG 17-22	63+7 4@ 17, 18 <b>+ 1 section (+.5)</b>	55+7 3@ 20, 21
1 <sup>st</sup> Grade 17-22	59+6 3@ 21, 22 <b>- 1 class</b>	57+6 3@21 <b>- 1 class</b>
2 <sup>nd</sup> Grade 18-24	78 4@ 19, 20	75 4@ 18, 19
3 <sup>rd</sup> Grade 18-24	77 4@ 19, 20	75 4@ 18, 19
4 <sup>th</sup> Grade 18-25	93 4@ 23, 24	74 4@ 18, 19 <b>+ 1 class</b>
5 <sup>th</sup> Grade 18-25	81 4@ 20, 21	78 4@ 19, 20

# Middle School Classroom Recommendations 2016-2017

Grade Guidelines	2015-16 Projections vs. Actual	2016-17 Recommendations
6 <sup>th</sup> Grade 20-26	P 183 8@ 23 A 189 8@ 23, 24	167 7@ 23, 24 -1 Class
7 <sup>th</sup> Grade 20-26	P 169 7@ 24, 25 A 173 7@ 24, 25	189 8@ 23,24 +1 Class
8 <sup>th</sup> Grade 20-26	P 177 8@ 23 A 176 8@ 22	173 8@ 21, 22

# 200-Benefits

Actual 2014-15	Final Budget 2015-16	Proposed Final Budget 2016-17	Increase
\$8,667,591	\$9,518,562	\$10,455,624	\$937,062

- 1.5% increase to premiums for medical & prescription, rate hold to dental premiums
- Prior year open enrollment/opt-out changes
- Increased PSERS employee contribution rate to 30.03%
- Increases to other benefits (FICA, Life, LTD, W/C) based on projected staffing

# 300-Contracted Professional Services

Actual 2014-15	Final Budget 2015-16	Proposed Final Budget 2016-17	Decrease
\$1,948,959	\$1,962,246	\$1,910,802	(\$51,444)

- Increase to anticipated special education services
- Decrease for negotiations related expenditures (legal & PR)
- Decrease in budget due to prior year one time staffing study



# 400- Purchased Professional Services

Actual 2014-15	Final Budget 2015-16	Proposed Final Budget 2016-17	Decrease
\$818,611	\$867,495	\$693,530	(\$173,965)

- Decrease for elimination of contracted snow plowing
- Decrease to electricity based on reduction in utilization
- Increase to sewage based on usage
- Decrease based on one time facility upgrades budgeted in prior year

# 500-Other Purchased Services

Actual 2014-15	Final Budget 2015-16	Proposed Final Budget 2016-17	Increase
\$2,859,710	\$2,929,824	\$3,108,906	\$179,082

- Decrease to contracted transportation services based on utilization
- Increase based on insurance renewal estimates
- Increase to cyber/charter tuition payments based on projected enrollment
- Increase for tuition to other districts based on current placements of students
- Increase to budgeted LCTI based on enrollment projections and market value contribution
- Reduction to district-wide travel based on historical trends

# 600-Supplies

Actual 2014-15	Final Budget 2015-16	Proposed Final Budget 2016-17	Increase
\$1,894,763	\$1,661,613	\$1,753,613	\$92,000

- Increase to software subscriptions
- Decrease for heating oil/diesel based on bid pricing and reduced usage
- Increase for instructional and technology supplies based on anticipated needs

# 700-Property

Actual 2014-15	Final Budget 2015-16	Proposed Final Budget 2016-17	Increase
\$727,074	\$775,892	\$942,848	\$166,956

- Increase for additional anticipated EITC funds from the Educational Foundation
- Net increase for technology equipment

# 800/900-Other

Actual 2014-15	Final Budget 2015-16 *	Proposed Final Budget 2016-17	Decrease
\$3,585,058	\$8,636,846	\$4,983,481	(\$3,390,829)

- Decrease to debt service payments based on payment schedule
- Increase for funding of Senior Citizen Tax Rebate Program
- Increase for funding of roof replacement plan
- Increase for identified strategic plan initiatives
- Decrease to technology relating to prior year one implementation of technology plan
- Decrease from prior year related to the Energy Savings Contract
- Decrease to planned transfers from prior year

\* 2015-16 amount included \$2,750,000 for the Energy Savings Project completed for capital improvements to district facilities.

# Estimated Use of Fund Balance

Estimated Shortfall – May 11 <sup>th</sup>	\$1,375,451
<b>COMMITTED</b>	
Emmaus Bond Pool Stabilization	(150,000)
OPEB	( 95,407)
PSERS Stabilization	(365,044)
Millage Stabilization	(125,000)
<b>ASSIGNED</b>	
Curriculum Textbooks/Materials	(100,000)
Technology	(50,000)
Buses	(90,000)
<b>UNASSIGNED</b>	
Budgetary Reserve	<u>(400,000)</u>
<b>GRAND TOTAL</b>	<b>(\$1,375,451)</b>

# 2015-16 Estimated Budget Variances

PROJECTED BUDGET VARIANCES					
	1516 Budget	1516 Actual thru March 31, 2016	1516 Estimated Actual	Budget Variance Over/(Under)	
Revenues	39,599,749	33,170,781	39,009,673	(590,076)	-1.49%
Expenditures	43,511,123	28,735,608	41,906,942	(1,604,181)	-3.69%
<b>Net Projected Budget Variance</b>				<b>(1,014,105)</b>	<b>-2.33%</b>
<b>PROJECTED FUND BALANCE IMPACT</b>					
		1516 Estimated Actual			
Fund Balance Impact					
Revenues		39,009,673			
Expenditures		41,906,942			
Projected Reduction to FB		(2,897,269)			
Reserves used for ESCO		2,850,000			
Net Operating Shortfall		(47,269)			

# 2016-17 Proposed Final Budget

	2016-2017
Total Revenues	\$40,608,800
Total Expenditures	<u>\$41,984,251</u>
Shortfall	<u>(\$1,375,451)</u>

**This budget includes a 0 TAX MILLAGE INCREASE,  
and includes \$1,375,451 USE OF FUND BALANCE  
to fund the estimated shortfall. Additional updates will occur as  
the budget is refined for Final Budget Adoption in June.**