



# 2017-2018 BUDGET DISCUSSION

Northwestern Lehigh School District  
Board Meeting  
April 5, 2017

# Agenda

- Budget Goals
- 2017-18 Budget Process Recap
- Budget Update and Discussion

# 2017-18 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
- Continue to commit to long range technology planning
- Continue to support the 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
- Develop a financing plan to fund the HS Modernization Project

# 2017-18 Budget Recap


## JANUARY

- 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

- Budgeting Strategies

# 2017-18 Act 1 Budget Timeline

Date/Deadline	NWL Action Date	Description
December 31, 2016	Lehigh County sends letters on district's behalf	Homestead Notice sent to eligible property owners
January 26, 2017	January 18, 2017	Submit to PDE Opt-out Resolution
	February-April Board Workshops	Budget discussions/presentations
May 1, 2017		PDE notifies district of gaming revenue allocation
	May 3, 2017	Presentation of Proposed Final Budget
May 31, 2017	May 17, 2017	Proposed Final Budget Adoption & public display prior to Final Budget Adoption
May 31, 2017		Deadline to report tax rates to DCED
	June Board Workshop	Presentation of Final Budget
June 30, 2017	June 21, 2017	Final Budget Adoption
July 1, 2017	June 22, 2017	Tax bills are released to printer and mailed to taxpayers July 1st

# 2017-18 Budget Summary- April 5th

	Final Budget 2016-17	January 11, 2017 Budget 2017-18	April 5, 2017 Budget 2017-18	Change from January
Total Building & Departments	\$ 2,957,672	\$ 3,059,326	\$ 3,071,322	\$ 11,996
District Wide:				
Total Salaries	18,062,222	18,700,783	18,674,919	(25,864)
Total Benefits	10,696,301	11,416,480	10,942,238	(474,242)
District Wide & Grants	10,289,081	10,592,253	10,846,860	254,607
Total Expenditures	42,005,276	43,768,842	43,535,340	(233,502)
Total Revenue	40,632,695	41,314,077	41,677,278	363,201
Surplus/(Shortfall) before FB	(1,372,581)	(2,454,765)	(1,858,062)	596,703

**Additional  
Reduction to  
Shortfall \$597,000**

# Updated Revenue Projections

<b>Local</b>	
Current Real Estate Taxes	\$200,000
Miscellaneous Revenue	<u>25,000</u>
	\$225,000
<b>State</b>	
Basic Education Funding	(\$34,000)
Special Education Funding	( 24,000)
Transportation	( 85,000)
Rental & Sinking Payments	70,000
Ready to Learn	230,000
Social Security Reimbursement	( 4,000)
Retirement Reimbursement	( <u>16,000</u> )
	\$137,000
<b>Total Increase to Revenues</b>	<b>\$362,000</b>

Amounts reflect changes to budgeted revenues compared to the January presented budget

# Updated Expenditure Projections

Expenditures	
Building & Department Budgets	\$ 12,000
Salaries	( 26,000)
Benefits	( 474,000)
District-Wide & Grants	<u>255,000</u>
<b>Total Decrease to Expenditures</b>	<b>(\$233,000)</b>

Amounts reflect changes to budgeted expenditures compared to the January presented budget



# Building & Department Budget Recap

- Increase to Athletic budget for athletic trainer contract & other additional adjustments
- Minimal changes to other building & department budgets



**Net INCREASE  
of (+) \$12,000**

# Staffing Recap

<b>2016-2017</b>	<b>Professional Staff</b>	<b>Support Staff</b>	<b>Administrators</b>	<b>Total</b>
High School	56	14	2	72
Middle School	46	17	2	65
Northwestern Elementary	35	17	1	53
Weisenberg Elementary	32	21	1	54
District Wide	5	119	9	133
<b>Total</b>	<b>174</b>	<b>188</b>	<b>15</b>	<b>377</b>

NOTE: Staff count is based upon current 1617 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 2016-17 have been incorporated into the 2017-18 budget*
- Placeholder for anticipated replacements/new positions
- Placeholder for anticipated leaves (sabbaticals & FMLA)



**Net DECREASE  
to Salaries (-) \$26,000**

# Benefit Recap

- 17-18 Renewals for Healthcare
  - *Medical/Prescription decreases -5.77%*
  - *Dental rate decrease -3%*
- PSERS Employer Contribution Rate 32.57%
- Minimal changes to other benefits



**Net DECREASE  
to benefits (-) \$474,000**

# District Wide & Grants Recap

- Specific identification of anticipated expenditures for IU, LCTI, LCCC
- Increased estimates for anticipated charter/cyber students
- Increased estimates for community relations
- Increased estimates for Custodial Services
- Updated estimated utilization of Contracted Transportation Services
- Updated utility estimates (heating oil & electric)
- Increase for additional bus replacement
- Decreased estimate for new debt service associated with HS Modernization Project
- Other minimal changes and reclassifications



**Net INCREASE  
of (+) \$ 255,000**

# Estimated Use of Fund Balance

Estimated Shortfall- April 5th		<u>(1,858,062)</u>
<b>Committed</b>		
Emmaus Bond Pool Stabilization	*	(150,000)
OPEB	*	(75,000)
PSERS Stabilization	*	(387,000)
Energy Stabilization	*	(50,000)
Millage Stabilization	*	(30,000)
<b>Assigned</b>		
Curriculum Textbooks/Materials		(305,000)
Buses		(95,000)
<b>Unassigned</b>		
Unassigned		(366,062)
Budgetary Reserve		(400,000)
<b>Grand Total</b>		<u><b>(1,858,062)</b></u>

\* Amount requires board action for use in 2017-18 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)

# 2017-18 Budget Summary

Total Revenues	\$41,677,278
Total Expenditures	<u>\$43,535,340</u>
Shortfall	(\$ 1,858,062)

This budget includes a **0 TAX MILLAGE INCREASE,**  
and includes **\$1,858,062 USE OF FUND BALANCE**

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