



2017-2018 PROPOSED FINAL BUDGET

Northwestern Lehigh School District
Board Workshop Meeting
May 3, 2017

Agenda

- Budget Goals
- 2017-18 Budget Process Recap
- Proposed Final Budget Presentation

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

APRIL

- Updated Budget Assumptions

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- May 3rd

	Final Budget 2016-17	January 11, 2017 Budget 2017-18	April 5, 2017 Budget 2017-18	May 3, 2017 Budget 2017-18	Change from April	Change from 2016-17
Total Building & Departments	\$ 2,957,672	\$ 3,059,326	\$ 3,071,322	\$ 3,019,991	\$ (51,331)	\$ 62,319
District Wide:						
Total Salaries	18,062,222	18,700,783	18,674,919	18,622,974	(51,945)	560,752
Total Benefits	10,696,301	11,416,480	10,942,238	11,061,189	118,951	364,888
District Wide & Grants	10,289,081	10,592,253	10,846,860	10,771,760	(75,100)	482,679
Total Expenditures	42,005,276	43,768,842	43,535,340	43,475,914	(59,426)	1,470,638
Total Revenue	40,632,695	41,314,077	41,677,278	41,698,028	20,750	1,065,333
Surplus/(Shortfall) before FB	(1,372,581)	(2,454,765)	(1,858,062)	(1,777,886)	80,176	

**\$80,176 decrease to shortfall
from April 5th**

Changes from April 5th

Category	Change from April 5 th
Local Revenues:	
Increase to Assessed Value	<u>(+) 20,750</u>
NET CHANGE	(+) 20,750

Category	Change from April 5 th
Expenditures:	
Buildings/Dept	(-) 51,000
Salaries	(-) 52,000
Benefits	(+) 119,000
District Wide/Grants	<u>(-) 75,000</u>
NET CHANGE	(-) 59,000

Revenues

	Actual 2015-16	Final Budget 2017-18	Proposed Final Budget 2017- 18	Increase /(Decrease) over Prior Year
Local	\$27,949,893	\$27,839,810	\$28,467,299	\$627,489
State	\$12,185,811	\$12,581,615	\$13,019,459	\$437,844
Federal	<u>\$211,310</u>	<u>\$211,270</u>	<u>\$211,270</u>	<u>\$ 0</u>
Total	\$40,347,014	\$40,632,695	\$41,698,028	\$1,065,333

Revenues-Local Variances

Category	Increase /(Decrease) over Prior Year
Real Estate Taxes	\$547,000
Interim Real Estate Taxes	(95,000)
Delinquent Real Estate Taxes	25,000
Interest Earnings	75,000
Capital Contributions	50,000
All other Local Sources	<u>25,000</u>
Total Variance	\$627,000

Revenues-State Variances

Category	Increase /(Decrease) over Prior Year
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	19,000
Retirement Reimbursement	<u>261,000</u>
Total Variance	\$ 438,000

Revenues-Federal Variances

Category	Increase / (Decrease) over Prior Year
Total Variance	\$0

Millage Rate History

Year	Millage	Increase in Mills	% Increase	Estimated Value of 1 Mill
2017-18	15.9631	0.00	0.00%	\$ 1,543,819
2016-17	15.9631	0.00	0.00%	\$1,503,317
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

Lehigh County Millage Rates

	District	2015-16 Millage	2016-17 Millage	Change	% Change
1	Northern Lehigh	21.1475	21.2688	0.1213	0.57%
2	Allentown	18.3287	18.3287	0.0000	0.00%
3	Salisbury Township	17.7055	18.0596	0.3541	2.00%
4	East Penn	17.2150	17.6970	0.4820	2.80%
5	Catasauqua	16.3100	16.8676	0.5576	3.42%
6	Whitehall Coplay	15.8523	16.1719	0.3196	2.02%
7	Northwestern Lehigh	15.9631	15.9631	0.0000	0.00%
8	Southern Lehigh	15.3700	15.6200	0.2500	1.63%
9	Parkland	14.4500	14.8500	0.4000	2.77%
	Average	16.9269	17.2030	0.2761	1.63%

Expenditure Changes from 2017-18

Category	Change from 2016-17
Salaries (100)	(+) 598,000
Benefits (200)	(+) 327,000
Professional & Tech Services (300)	(+) 24,000
Property Services (400)	(-) 170,000

Category	Change from 2016-17
Other Services (500)	(+) 144,000
Supplies (600)	(+) 891,000
Property (700)	(-) 516,000
Other Financing Uses (800/900)	<u>(+) 171,000</u>
NET CHANGE	(+) 1,469,000

100-Salaries

Actual 2015-16	Final Budget 2016-17	Proposed Final Budget 2017-18	Increase
\$17,304,725	\$18,218,822	\$18,817,374	\$ 598,552

- Collective Bargaining Agreement Salaries + 3.8%,
Administrators merit based up to +3.5%, Support Staff +2.25%
- Projections based on current and proposed staffing needs
which include five retirements and one resignation, and five
sabbaticals/leaves
- Changes to budgeted hours based on historical trend and
anticipated needs

200-Benefits

Actual 2015-16	Final Budget 2016-17	Proposed Final Budget 2017-18	Increase
\$9,302,001	\$10,539,701	\$10,866,789	\$327,088

- -5.77% decrease to premiums for medical & prescription, rate hold to dental premiums
- Prior year open enrollment/opt-out changes
- Increased PSERS employee contribution rate to 32.57%
- Increases to other benefits (FICA, Life, LTD, W/C) based on projected staffing

300-Contracted Professional Services

Actual 2015-16	Final Budget 2016-17	Proposed Final Budget 2017-18	Increase
\$1,988,422	\$1,910,802	\$1,934,459	\$23,657

- Increase to anticipated special education services
- Decrease due to change in payroll processing

400- Purchased Professional Services

Actual 2015-16	Final Budget 2016-17	Proposed Final Budget 2017-18	Decrease
\$733,848	\$693,530	\$523,130	(\$170,400)

- Reclassification of account codes to 622 for electricity

500-Other Purchased Services

Actual 2015-16	Final Budget 2016-17	Proposed Final Budget 2017-18	Increase
\$2,910,598	\$3,087,679	\$3,231,673	\$143,994

- Increase to contracted transportation services based on utilization
- Increase for IU Transportation subsidy based on prior year utilization
- Increase based on insurance renewal estimates
- Increase to cyber/charter tuition payments based on projected enrollment

600-Supplies

Actual 2015-16	Final Budget 2016-17	Proposed Final Budget 2017-18	Increase
\$1,850,708	\$1,729,443	\$2,620,829	\$891,386

- 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 2015-16	Final Budget 2016-17	Proposed Final Budget 2017-18	Decrease
\$1,138,350	\$942,848	\$427,000	(\$515,848)

- Reclassification to 6XX account codes
- Increase for replacement equipment

800/900-Other

Actual 2015-16	Final Budget 2016-17	Proposed Final Budget 2017-18	Increase
\$6,734,395	\$4,883,481	\$5,054,660	\$171,179

- Increase to debt service payments based on payment schedule & issuance of new debt
- Decrease for funding of Senior Citizen Tax Rebate Program
- Decrease to planned transfers from prior year based on reduction of refinance savings which move back to debt service

* 2015-16 amount included \$2,850,000 for the Energy Savings Project completed for capital improvements to district facilities.

Estimated Use of Fund Balance

Estimated Shortfall – May 17 th	\$1,777,886
COMMITTED	
Emmaus Bond Pool Stabilization	(150,000)
OPEB	(100,000)
PSERS Stabilization	(376,000)
Energy Stabilization	(50,000)
Millage Stabilization	(30,000)
ASSIGNED	
Curriculum Textbooks/Materials	(305,000)
Buses	(102,000)
UNASSIGNED	
Excess Shortfall	<u>(264,886)</u>
Budgetary Reserve	<u>(400,000)</u>
GRAND TOTAL	(\$1,777,886)

2016-17 Estimated Budget Variances

	1617 Budget	1617 Actual thru March 31, 2017	1617 Estimated Actual	Budget Variance Over/(Under)	
Revenues					
Local	27,839,810	25,681,389	27,682,955	(156,855)	
State	12,581,615	7,715,335	12,726,155	144,540	
Federal	211,270	146,151	209,151	(2,119)	
	40,632,695	33,542,875	40,618,261	(14,434)	-0.04%
Expenditures					
100	18,218,822	12,077,303	18,467,731	248,909	
200	10,539,701	6,701,379	10,418,505	(121,196)	
300	1,910,802	1,469,131	1,954,290	43,488	
400	693,530	404,755	471,690	(221,840)	
500	3,087,679	2,301,567	3,020,629	(67,050)	
600	1,728,413	1,574,470	1,943,093	214,680	
700	942,848	84,770	569,770	(373,078)	
800	1,571,554	1,017,043	1,035,505	(536,049)	
900	3,311,927	2,000,000	3,001,000	(310,927)	
	42,005,276	27,630,417	40,882,213	(1,123,063)	-2.67%
Net Projected Budget Variance				(1,108,629)	-2.64%

2017-18 Proposed Final Budget

	2017-2018
Total Revenues	\$41,698,028
Total Expenditures	<u>\$43,475,914</u>
Shortfall	<u>(\$1,777,886)</u>

This budget includes a **0 TAX MILLAGE INCREASE,**
and includes **\$1,777,886 USE OF FUND BALANCE**

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