



# 2019-2020 PROPOSED FINAL BUDGET

Northwestern Lehigh School District  
Board Workshop Meeting  
May 1, 2019

# 2019-20 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

# 2019-2020 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

# 2019-20 Budget Summary

	January 2019	April 2019	May 2019	Change from
	Budget	Budget	Budget	April
	2019-20	2019-20	2019-20	
Total Building & Departments	3,167,303	3,137,653	3,145,053	7,400
Total Salaries	20,123,262	19,866,637	19,914,923	48,286
Total Benefits	12,011,020	11,772,517	11,608,623	(163,894)
District Wide & Grants	11,734,399	12,028,551	12,137,051	108,500
Total Expenditures	47,035,984	46,805,358	46,805,650	292
Total Revenue	44,000,678	44,228,465	44,261,879	33,414
Surplus/(Shortfall) before FB	(3,035,306)	(2,576,893)	(2,543,771)	33,122
FB Use for HS Modernization/Stadium				
General Fund Operating Shortfall				
Potential Millage Increase (0.3735 mills)	615,000	615,000	615,000	
Revised Shortfall	(2,420,306)	(1,961,893)	(1,928,771)	

# Changes from April 3rd

REVENUES	Change from April 3rd
Increase to Assessed Value	(+)28,000
Increase to LST	<u>(+) 5,000</u>
<b>NET CHANGE</b>	<b>(+) 33,000</b>

EXPENDITURES	Change from April 3 <sup>rd</sup>
Buildings/Dept	(+) 7,000
Salaries	(+) 48,000
Benefits	(-) 164,000
District Wide/Grants	<u>(+) 109,000</u>
<b>NET CHANGE</b>	<b>&lt; \$500</b>

# Revenues

	Actual 2017-18	Final Budget 2018-19	Proposed Final Budget 2019-20	Increase/ (Decrease) over Prior Year
Local	\$28,779,499	\$29,725,051	\$30,825,919	\$1,100,868
State	\$13,187,374	\$13,487,636	\$13,830,960	\$343,324
Federal	<u>\$218,564</u>	<u>\$209,989</u>	<u>\$220,000</u>	<u>\$ 10,011</u>
<b>Total</b>	\$42,185,437	\$43,422,676	\$44,876,879	\$1,454,203

\* Proposed Final Budget includes a millage increase of \$615,000

# Revenues-Local Variances

Category	Increase /(Decrease) over Prior Year
Real Estate Taxes	\$63,000
Interim Real Estate Taxes	25,000
Earned Income Tax	25,000
Delinquent Real Estate Taxes	100,000
Earnings on Investments	200,000
Contributions	43,000
All other Local Sources	<u>30,000</u>
<b>Total Variance</b>	<b>\$486,000</b>
<b>Millage Increase</b>	<b><u>\$615,000</u></b>
<b>Net Increase</b>	<b><u>\$1,101,000</u></b>

# 2019-20 Millage Recommendation

	.3735 mills (2.3%)
Total New Tax Revenue Generated	\$615,000
Average Assessed Value (Residential)	\$220,000
Dollar (\$) Increase to Avg Taxpayer	\$82.17
Assessed Value	\$100,000
Dollar (\$) Increase to Taxpayer	\$37.35
Assessed Value	\$400,000
Dollar (\$) Increase to Taxpayer	\$149.40



# Revenues-State Variances

Category	Increase /(Decrease) over Prior Year
Basic Education Funding	\$274,000
Special Education Funding	34,000
Transportation	125,000
Rental Sinking Fund Reimbursement	(25,000)
Health Services	(1,000)
Safe Schools Grant	20,000
Ready to Learn	(230,000)
Social Security Reimbursement	11,000
Retirement Reimbursement	<u>135,000</u>
<b>Total Variance</b>	<b>\$ 343,000</b>

# Revenues-Federal Variances

Category	Increase /(Decrease) over Prior Year
Total Variance	\$10,000

# Millage Rate History

Year	Millage	Increase in Mills	% Increase	Estimated Value of 1 Mill
2019-20	16.6138	0.3735	2.30%	\$1,610,424
2018-19	16.2403	0.2772	1.74%	\$1,594,088
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	2017-18 Millage	2018-19 Millage	Change	% Change
1	Northern Lehigh	21.3422	21.9612	0.6190	2.90%
2	Allentown	19.0252	19.7291	0.7039	3.70%
3	Salisbury Township	18.4527	18.8955	0.4428	2.40%
4	East Penn	18.0850	18.3808	0.2958	1.64%
5	Catasauqua	17.4009	18.9656	1.5647	8.99%
6	Whitehall Coplay	16.5927	17.2108	0.6181	3.73%
<b>7</b>	<b>Northwestern Lehigh</b>	<b>15.9631</b>	<b>16.2403</b>	<b>0.2772</b>	<b>1.74%</b>
8	Southern Lehigh	15.8200	15.8200	0	0.00%
9	Parkland	15.1300	15.5200	0.3900	2.58%
	Average	17.5346	18.0804	0.5457	3.11%

Data obtained from Lehigh County Office of Assessment

# Enrollment History & Projections

	Kdg	1st	2nd	3rd	4th	5th	Total Elem	6th	7th	8th	Total MS	Total K-8
2011-2012	153	161	176	157	169	172	988	195	178	187	560	1,548
2012-2013	156	163	162	179	162	168	990	180	197	181	558	1,548
2013-2014	136	160	151	163	180	165	955	171	188	190	549	1,504
2014-2015	142	145	159	158	166	182	952	169	174	188	531	1,483
2015-2016	112	151	148	162	155	170	898	184	168	176	528	1,426
2016-2017	122	116	145	151	165	160	859	168	186	177	531	1,390
2017-2018	115	131	115	148	159	162	830	171	176	191	538	1,368
2018-2019	134	117	138	123	149	170	831	166	173	179	518	1,349
2019-2020	125	141	116	140	124	149	795	170	166	173	509	1,304
2020-2021	125	132	140	118	141	125	781	149	170	166	485	1,266
2021-2022	120	132	131	143	119	142	787	123	149	170	442	1,229
2022-2023	125	127	131	133	145	120	781	138	123	149	410	1,191
2023-2024	120	132	114	133	133	147	779	117	138	123	378	1,157

Actual Enrollment as of October 1st, Projections based on estimates as of April 2019

# Elementary Staffing for 2019-2020

		NORTHWESTERN ELEM			WEISENBERG ELEM			
GRADE	SECT	STUD	CLASS SIZE (# SECTIONS- # STUDENTS)	CHANGE IN STAFF	SECT	STUD	CLASS SIZE (# SECTIONS- # STUDENTS)	CHANGE IN STAFF
K (17-22)	3	65	21/22	-1	3	55	18/19	NO CHANGE
1 (17-22)	4	72	18	+1	3	60	20	NO CHANGE
2 (18-24)	3	64	21/22	-1	3	54	18	NO CHANGE
3 (18-24)	4	77	19/20	+1	3	65	21/22	NO CHANGE
4 (18-25)	3	60	20	NO CHANGE	3	66	22	-1
5 (18-25)	3	71	23/24	-1	4	79	19/20	NO CHANGE
<b>TOTAL</b>		<b>409</b>		<b>-1</b>		<b>379</b>		<b>-1</b>

\* 2 Elementary Reduction from resignations

# Middle School Staffing for 2019-2020

GRADE	SECTIONS	STUDENTS	CLASS SIZE (# SECTIONS-# STUDENTS)	CHANGE IN STAFF
6 (20-26)	7	168	24	NO CHANGE
7 (20-26)	7	166	23/24	NO CHANGE
8 (20-26)	8	173	21/22	NO CHANGE
<b>TOTAL</b>		<b>508</b>		

# Summary of Professional Staffing Recommendations for 2019-2020

- 2 Elementary Reduction from resignations
- Addition of 1 FTE HS Music Teacher
- Increase of 33% to HS German/English Teacher



# Expenditure Changes from 2018-19

Category	Change from 2018-2019
Salaries (100)	(+) 488,000
Benefits (200)	(+) 98,000
Professional & Tech Services (300)	(-) 66,000
Property Services (400)	(+) 27,000

Category	Change from 2018-2019
Other Services (500)	(+) 819,000
Supplies (600)	(+) 265,000
Property (700)	(-) 62,000
Other Financing Uses (800/900)	<u>(-) 2,020,000</u>
<b>NET CHANGE</b>	<b>(-) 451,000</b>

# 100-Salaries

Actual 2017-18	Final Budget 2018-19	Proposed Final Budget 2019-20	Increase
\$18,392,139	\$19,619,535	\$20,107,523	\$487,988

- Annual salary increases
- Projections for professional staff based on current and proposed staffing needs which include two retirements, two non-replacements, one new position and three sabbaticals/leaves,
- Additional positions budgeted for Instructional Assistants
- Additional positions for Security Officers
- Changes to budgeted hours based on historical trend and anticipated needs

# 200-Benefits

Actual 2017-18	Final Budget 2018-19	Proposed Final Budget 2019-20	Increase
\$10,402,665	\$11,317,924	\$11,416,023	\$98,099

- +0% increase to premiums for medical, prescription, and dental premiums
- Prior year open enrollment/opt-out changes & mid-year plan design changes
- Increased PSERS employee contribution rate to 34.29%
- Increase for additional positions
- Increases to other benefits (FICA, Life, LTD, W/C) based on projected staffing

# 300-Contracted Professional Services

Actual 2017-18	Final Budget 2018-19	Proposed Final Budget 2019-20	Increase
\$1,744,252	\$1,698,360	\$1,631,957	(\$66,403)

- Decrease to anticipated legal costs
- Reclassification of athletic trainer fees to capital reserve transfer in conjunction with LVHN sponsorship

# 400- Purchased Professional Services

Actual 2017-18	Final Budget 2018-19	Proposed Final Budget 2019-20	Increase
\$596,812	\$638,600	\$666,050	\$27,450

- Increase for repairs & maintenance in Buildings & Grounds for the regrading of the baseball and softball fields

# 500-Other Purchased Services

Actual 2017-18	Final Budget 2018-19	Proposed Final Budget 2019-20	Increase
\$3,158,152	\$3,343,623	\$4,162,130	\$818,507

- Decrease to contracted transportation services based on utilization
- Increase to insurance
- Increase to cyber/charter tuition payments based on projected enrollment & increase to tuition rate calculation
- Increase for LCTI contribution

# 600-Supplies

Actual 2017-18	Final Budget 2018-19	Proposed Final Budget 2019-20	Increase
\$2,461,769	\$2,464,165	\$2,728,823	\$264,658

- Increase to general supplies based on needs
- Increase to electricity based on projected KWH usage
- Increase for heating oil & diesel based on estimated bid pricing
- Reclassification of budget funds from 7XX for instructional and technology supplies based on anticipated needs

# 700-Property

Actual 2017-18	Final Budget 2018-19	Proposed Final Budget 2019-20	Increase
\$503,969	\$546,713	\$485,117	(\$61,596)

- Reclassification of budget funds to 6XX for technology purchases
- Increase for replacement equipment/fleet



# 800/900-Other

Actual 2017-18	Final Budget 2018-19	Proposed Final Budget 2019-20	Increase
\$4,395,668	\$7,627,720	\$5,608,026	(\$2,019,694)

- Increase to debt service payments based on payment schedule
- Decrease to planned Capital Reserve Transfer of \$2,500,000 related to the stadium project funding in 1819
- Increase to planned Capital Reserve Transfer for FMP needs

# Estimated Use of Fund Balance

Estimated Shortfall – May 15th	(\$ 2,543,771)
<b>COMMITTED</b>	
Emmaus Bond Pool Stabilization	\$220,000
OPEB	65,000
PSERS Stabilization	554,000
Energy Stabilization-heating oil & diesel	95,000
Energy Stabilization-Electricity	50,000
Millage Stabilization-Senior Tax Rebate	<u>35,000</u>
<b>TOTAL COMMITTED</b>	<b><u>\$1,019,000</u></b>

<b>ASSIGNED</b>	
Curriculum/Strategic Plan	\$155,000
Technology	65,000
Fleet Replacements-Bus/Van	<u>145,000</u>
<b>TOTAL ASSIGNED</b>	<b><u>\$365,000</u></b>
<b>UNASSIGNED</b>	
Budgetary Reserve	<u>400,000</u>
<b>REMAINING SHORTFALL TO BE FUNDED</b>	<b>(\$759,771)</b>
<b>PROPOSED TAX INCREASE</b>	<b><u>\$615,000</u></b>
<b>UNFUNDED SHORTFALL</b>	<b>(\$144,771)</b>

Additional reductions and/or use of fund balance needed to balance budget



# 2018-2019 Estimated Budget Variances

	1819 Budget	1819 Actual	Budget Variance Over/(Under)	
<b>Revenues</b>				
Local	\$29,725,051	\$30,171,928	\$446,877	
State	13,487,636	13,272,336	(215,300)	
Federal	<u>209,989</u>	<u>209,989</u>	<u>0</u>	
	\$43,422,676	\$43,654,253	\$231,577	+0.53%
<b>Expenditures</b>				
100	\$19,619,535	\$19,470,709	(\$148,826)	
200	11,317,924	10,994,534	(323,390)	
300	1,698,360	1,622,500	(75,860)	
400	638,600	685,000	46,400	
500	3,343,623	3,163,261	(180,362)	
600	2,464,165	2,368,900	(95,265)	
700	546,713	506,375	(40,338)	
800/900	<u>7,627,720</u>	<u>7,303,000</u>	<u>(324,720)</u>	
	\$47,256,640	\$46,114,279	(\$1,142,361)	-2.42%
<b>Net Variance</b>			<b>(\$1,373,938)</b>	<b>-2.91%</b>

# 2019-2020 Proposed Final Budget

	2019-2020
Total Revenues	\$44,264,879
Total Expenditures	<u>\$46,805,650</u>
Shortfall	(\$2,543,771)
Proposed Tax Increase	<u>\$615,000</u>
Final Operating Shortfall	(\$1,928,771)

This budget includes a **0.3735 TAX MILLAGE INCREASE,**  
and includes fund balance use of **\$1,928,771.**

**Additional updates will occur as the budget is refined for Final Budget Adoption in June.**