



# 2020-2021 Preliminary Budget Overview

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NORTHWESTERN LEHIGH SCHOOL DISTRICT  
NOVEMBER 6, 2019

# 2020-2021 Budget Goals

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- 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

	Actual 2018-19	Final Budget 2019-20	November 6th Budget 2020-21	Change from 2019-20
Total Building & Departments	3,259,353	3,145,053	3,245,393	100,340
District Wide:				
Salaries:				
Professionals	12,502,091	12,982,486	13,449,855	467,369
Support Staff	4,950,320	5,187,963	5,369,542	181,579
Administration	1,687,965	1,744,474	1,805,531	61,057
Total Salaries	19,140,376	19,914,923	20,624,928	710,005
Total Benefits-All Staff	10,963,695	11,579,623	12,139,631	560,008
District Wide & Grants	13,904,240	12,018,353	12,503,178	484,825
Total Expenditures	47,267,663	46,657,952	48,513,130	1,855,178
Total Revenue	43,782,572	44,993,971	44,972,905	(21,066)
Surplus/(Shortfall) before FB	(3,485,091)	(1,663,981)	(3,540,225)	
FB Use for HS Modernization/Stadium				
General Fund Operating Shortfall				
Potential Millage Increase (0.4320 mills 2.60%)			713,000	
Revised Shortfall			(2,827,225)	

# Act 1 Index: Ability to raise taxes

Act 1 Index & Exceptions	Base Index	Budgetary Impact	Average Taxpayer Impact
Act 1 Index- 2020-21 Base Index	2.60%		
Estimated Tax Revenue	0.4320 mills	\$713,000	\$95.04
Act 1 Exceptions-Special Education			
Estimated Tax Revenue	0.5166 mills	\$831,294	\$113.65
Total Allowable Millage Increase	0.9486 mills	\$1,544,294	\$208.69

NOTE: The above information represents the estimated MAXIMUM ALLOWABLE tax increase without going to voter referendum. This does not reflect the recommendation for a tax increase for 2020-21.

# Major cost drivers:

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Category	Increase from Prior Year
Contractual Salary Increases	\$ 710,000
PSERS Employer Contribution 34.77%	353,000
Cyber/Charter Tuition	156,000
Healthcare	141,000
Debt Service	<u>90,000</u>
Subtotal	\$1,450,000

# Closing the Gap...

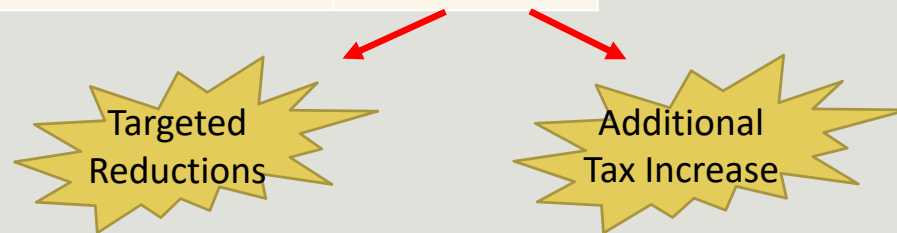
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- Specific identification of staffing & benefits
- Projected savings on retirements/resignations/furloughs
- Adjustments to hourly wages for support staff (budgeted hours, substitutes, Overtime)
- Implementing plan to market to cyber students
- Bid pricing for fuel/diesel
- Board Decision on borrowing for Middle School Project
- Planned use of fund balance

# Recommendation

- Adopt Preliminary Budget on December 4, 2019 and apply for Act 1 exceptions
  - Provides flexibility through the budget process without committing to raising taxes including exceptions
- Budget Planning:

2020-21 Estimated Shortfall	(\$3,540,225)
Target Use of Fund Balance	\$1,500,000
Estimated Tax Increase (Index + Exceptions)	<u>\$1,000,000</u>
Remaining Shortfall to Address	(\$1,040,225)



# Next steps...

November 2019	1-30	Budget meetings held with Administrators
	6	<b>High Level Presentation to the School Board</b>
December 2019	1-31	Budget meetings held with Administrators
	4	<b>Resolution Not to Exceed Act 1 Index/Preliminary Budget Adoption</b>
January 2020	1-31	Budget Planning
February 2020	5	Workshop Meeting- Budgeting Strategy Board Presentation
	4	Elementary/Middle School Staffing Meeting
	13	<b>Deadline to apply for Act 1 Exceptions</b>
	25	All Staffing Meeting
March 2020	1-31	Budget Planning
April 2020	1-30	Budget Planning
	1	Workshop Meeting-Update on Budget Projections
May 2020	1-31	Budget Finalization
	6	Workshop Meeting- Proposed Final Budget Presentation Community Budget Communications
	13	<b>Board Meeting- Proposed Final Budget Presentation</b>
June 2020	3	Workshop Meeting- Final Budget Presentation
	17	<b>Board Meeting- Final Budget Adoption</b>