



# 2021-2022 Budget Update

NORTHWESTERN LEHIGH SCHOOL DISTRICT

JANUARY 6, 2021

# Agenda

- 2021-2022 Budget Goals
- Budget Summary & Assumptions
- Recommendation
- 2021-2022 Budget Prep Timeline

# 2021-2022 Budget Goals

1. Implement Future Ready Comprehensive Plan planning mission, vision, & goals
2. Provide instructional programs to meet Chapter 4 requirements in core content areas and in the related arts
3. Provide staffing to meet instructional & operational needs
4. Continue to commit to long range technology planning
5. Continue to support the Facilities Master Plan to address ongoing facility needs
6. Develop a budget with a short-term and long-term focus to create a sustainable funding plan that addresses the challenges of anticipated shortfalls
7. Continue to identify areas to maximize efficiencies and reduce costs to minimize impact on programs
8. Provide a funding plan to meet the district's needs while minimizing any potential tax increase to taxpayers

# 2021-2022 Budget Summary

	Actual	Final	Janaury		
	Budget	Budget	Budget	Change from	% Change
	2019-20	2020-21	2021-22	2020-21	2020-21
Building & Departments Total	2,978,563	3,048,386	3,019,343	(29,043)	
Salaries Total	19,641,704	19,838,390	20,494,994	656,604	3.3%
Benefits Total	10,941,408	11,683,528	12,350,611	667,083	
District Wide & Grants	11,208,164	12,038,843	12,585,629	546,786	4.5%
Total Expenditures	44,769,839	46,609,147	48,450,577	1,841,430	4.0%
Total Revenue	44,776,945	44,798,281	44,720,160	(78,121)	-0.2%
Surplus/(Shortfall) before FB	7,105	(1,810,866)	(3,730,417)	(1,919,551)	
Proposed Millage Increase 3.0%			855,000		
Revised Shortfall			(2,875,417)		

# Act 1 Index-Ability to raise taxes

Act 1 Index & Exceptions	Base Index	Budgetary Impact	Average Taxpayer Impact
Act 1 Index 2021-22 Base Index	3.00%		
Estimated Tax Revenue	0.5166 mills	\$855,000	\$113.65

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 2021-22. Based on preliminary calculations, the district is NOT eligible for Act 1 exceptions in 2021-22.

# Early Look-2122 Expenditure Increases

Category	Amount of Estimated Increase-NOVEMBER	Amount of Estimated Increase-JANUARY
Salaries	\$657,000	\$657,000
Benefits:		
Healthcare	\$277,000	\$277,000
PSERS 34.94% ER Contribution Rate (decrease by 0.01% from Nov)	\$316,000	\$314,000
Cyber/Charter Tuition (increased enrollment from November)	\$185,000	\$435,000
Special Education	<u>\$103,000</u>	<u>\$103,000</u>
Total	\$1,538,000	1,786,000
Millage Equivalent (Value 1 mill= \$1,655,590)	0.9290 mills	1.0788 mills

Allowable 2021-2022 Act 1 Millage Increase 0.5166 mills, approx. \$855,000

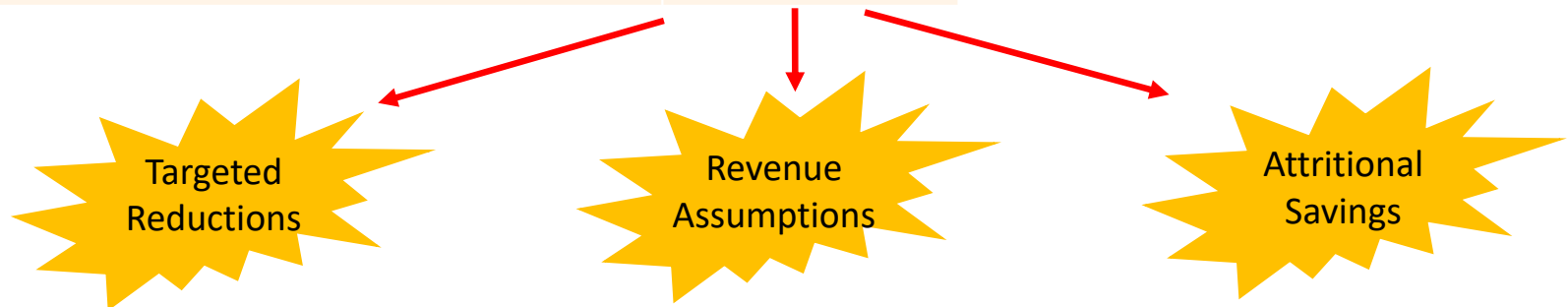
# Closing the Gap...

- Staffing & benefits
  - Adjustments to budgeted hours based on historical trend
  - Substitutes
  - Overtime
- Potential savings on retirements/resignations/furloughs
- Bid pricing for heating oil & diesel
- Evaluate capital reserve transfers/equipment replacements
- Reductions to Building/Department budgets
- Planned use of fund balance

# Recommendation

- Adopt Resolution to Stay within the Act 1 Index on January 20, 2021
- Budget Planning Continues...

	Amount
2021-22 Estimated Shortfall	(\$3,730,417)
Targeted Use of Fund Balance	\$1,650,000
Estimated Tax Increase (Max Index 3%)	<u>\$ 855,000</u>
Remaining Shortfall to Address	\$1,225,417





# 2021-2022 Budget Timeline

<b>September 2020</b>	<b>1-30</b>	Budget timeline developed and building/department meetings scheduled
<b>October 2020</b>	<b>1-31</b>	Budget Planning
	<b>14</b>	Board Budget Retreat
<b>November 2020</b>	<b>1-30</b>	Budget meetings held with Administrators
<b>December 2020</b>	<b>1-31</b>	Budget meetings held with Administrators
<b>January 2021</b>	<b>1-31</b>	Budget Planning
	<b>6</b>	Budget Overview Presented to Board
	<b>20</b>	<b>Resolution Not to Exceed Act 1 Index/Preliminary Budget Adoption</b>
	<b>20</b>	<b>Tax Collector Compensation</b>
<b>February 2021</b>	<b>5</b>	Workshop Meeting- Budgeting Strategy Board Presentation
	<b>16</b>	Elementary/Middle School Staffing Meeting
	<b>17</b>	<b>Approval to Apply for Exceptions if Adopt Preliminary Budget</b>
	<b>23</b>	All Staffing Meeting

<b>March 2021</b>	<b>1-31</b>	Budget Planning
	<b>29</b>	Deadline to apply for Exceptions
<b>April 2021</b>	<b>1-30</b>	Budget Planning
	<b>1</b>	Workshop Meeting-Update on Budget Projections
<b>May 2021</b>	<b>1-31</b>	Budget Finalization
	<b>5</b>	Workshop Meeting- Proposed Final Budget Presentation Community Budget Communications
	<b>12</b>	<b>Board Meeting- Proposed Final Budget Presentation</b>
<b>June 2021</b>	<b>2</b>	Workshop Meeting- Final Budget Presentation
	<b>16</b>	<b>Board Meeting- Final Budget Adoption</b>