



# 2021-2022 Proposed Final Budget Presentation

Northwestern Lehigh School District  
Board Workshop  
May 5, 2021

# 2021-2022 BUDGET GOALS

1. Implement Future Ready Comprehensive Plan-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

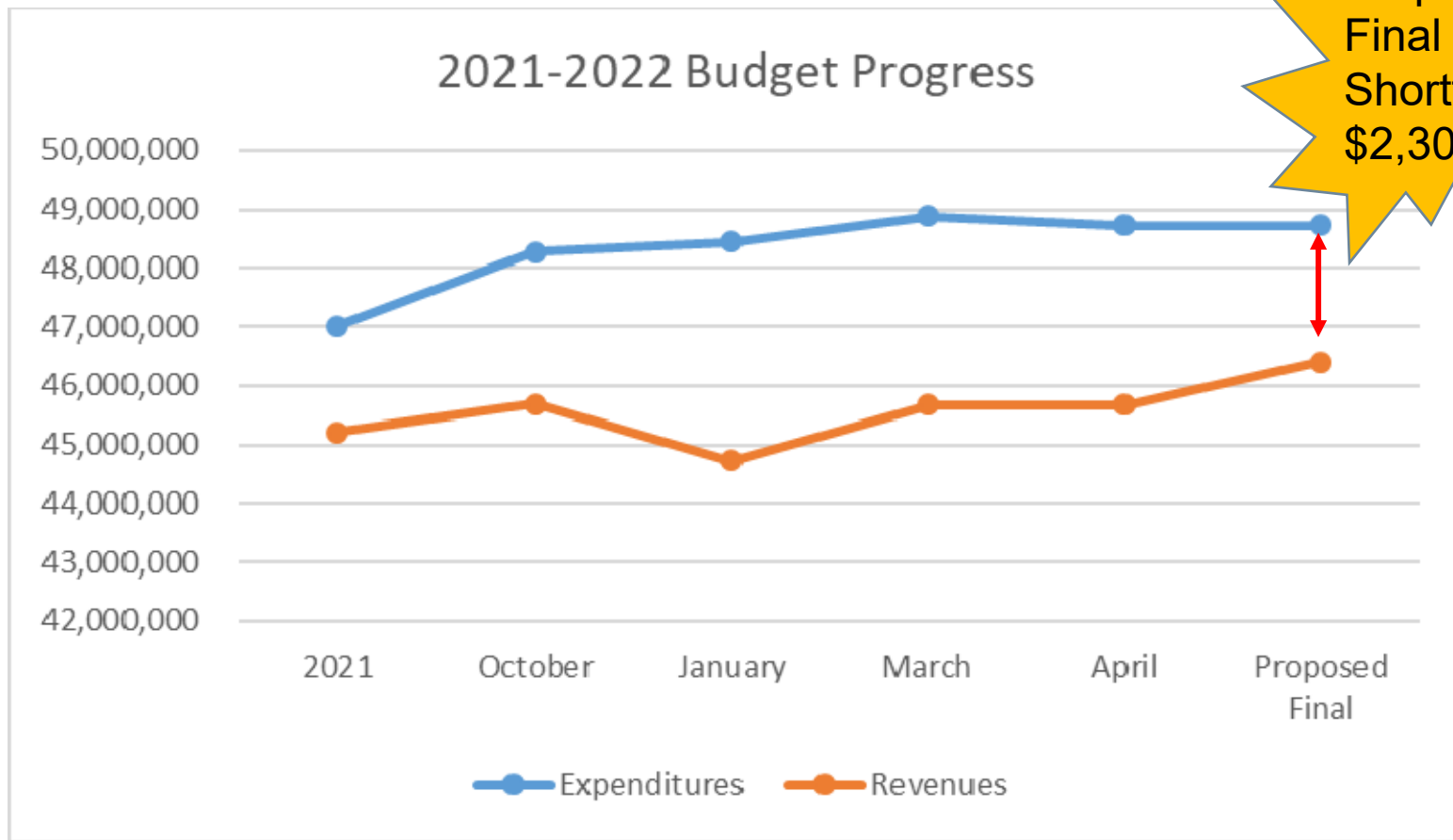
# 2021-2022 Budget Process Timeline

Month	Topic
October	Budget Seminar
November	Preliminary Budget Overview
January	Budget Update & Resolution to stay within the Act 1 Index
February	Budgeting Strategies
March	Revenue Assumptions
April	Expenditure Assumptions Update
**May	Proposed Final Budget Adoption & Final Staffing
June	Final Budget Adoption

# 2021-2022 Budget Summary

	Final Budget 2020-21	January Budget 2021-22	April Budget 2021-22	May Budget 2021-22	Change from April	Change from 2020-21
Building & Departments Total	3,048,386	3,019,343	3,019,343	3,036,338	16,995	(12,048)
Salaries Total	19,838,390	20,494,994	20,494,994	19,843,090	(651,904)	4,700
Benefits Total	11,683,528	12,350,611	12,350,611	11,949,875	(400,736)	266,347
District Wide & Grants	12,447,331	12,585,629	12,870,629	13,892,206	1,021,577	1,444,875
Total Expenditures	47,017,635	48,450,577	48,735,577	48,721,509	(14,068)	1,703,874
Total Revenue	45,206,769	44,720,160	45,675,386	46,413,940	738,554	1,207,171
Surplus/(Shortfall) before FB	(1,810,866)	(3,730,417)	(3,060,191)	(2,307,569)	752,622	(496,703)
Proposed Millage Increase 3.0%		855,000	855,000	855,000		
Revised Shortfall		(2,875,417)	(2,205,191)	(1,452,569)		

# 2021-2022 Budget Progress



Proposed  
Final Budget  
Shortfall  
\$2,307,569

# Changes from April

REVENUES	Change from April
NET CHANGE	+ \$738,554

EXPENDITURES	Change from April
Building/Departments	+ \$17,000
Salaries	(-) 652,000
Benefits	(-) 401,000
District Wide/Grants	<u>(+) 1,021,577</u>
NET CHANGE	(-) \$14,000

NOTE: Changes to Revenues & District Wide/Grants primarily related to Federal Grant Funds

# Revenues

	Actual 2019-20	Final Budget 2020-21	Proposed Final Budget 2021-22	Increase/ (Decrease) over Prior Year
Local	\$30,740,272	\$60,648,787	\$32,079,080	\$1,430,293
State	13,791,864	13,911,799	13,863,733	(48,067)
Federal	228,995	646,183	1,326,127	679,944
Other Financing Sources	<u>15,814</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$44,776,945	\$45,206,769	\$47,268,940	\$2,062,170

\* Proposed Final Budget includes a millage increase of \$855,000

# Revenues-Local Variances

Category	Increase /(Decrease) over Prior Year
Real Estate Taxes	\$474,000
Earned Income Tax	240,000
Delinquent Real Estate Taxes	100,000
Earnings on Investments	(183,000)
Contributions	(50,000)
All other Local Sources	<u>(6,000)</u>
Total Variance	575,000
Millage Increase	<u>\$855,000</u>
Net Increase	\$1,430,000



# 2021-22 Millage Recommendation

Millage Increase- Current 2021 Millage 17.2195 mills	0.5165 mills (3%) * 17.7360
2021-22 Proposed Millage Rate	17.7360
Total Tax Revenue Generated	\$855,000
Average Assessed Value (Residential)	\$220,000
Dollar (\$) Increase to Avg Taxpayer	\$113.52

# Millage Rate History

Year	Millage	Increase in Mills	% Increase	Estimated Value of 1 Mill
<b>2021-22</b>	<b>17.7360</b>	<b>0.5165</b>	<b>3.00%</b>	<b>\$1,613,453</b>
2020-21	17.2195	0.6057	3.65%	\$ 1,613,191
2019-20	16.6138	0.3735	2.30%	\$1,610,986
2018-19	16.2403	0.2772	1.74%	\$1,594,088
2017-18	15.9631	0.00	0.00%	\$1,555,490
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

# Revenues-State Variances

Category	Increase /(Decrease) over Prior Year
Social Security Reimbursement	\$19,000
Rental/Sinking Reimbursement	(70,000)
Safe Schools Grant	(40,000)
Retirement Reimbursement	<u>43,000</u>
Total Variance	(\$48,000)

# Revenues-Federal Variances

Category	Increase /(Decrease) over Prior Year
Federal Block Grant-PCCD	(\$168,000)
CARES-ESSER I	(140,000)
ESSER II	330,000
ESSER III	656,000
All Other Federal Sources	<u>2,000</u>
Total Variance	\$680,000

# COVID Related Grants 2021-22

GRANT/REIMBURSEMENT	ALLOCATION	GRANT END DATE	2021-2022	2022-2023	2023-2024
ESSER II-Coronavirus Response & Relief Supplemental Appropriates Act (CRRSA)	\$659,845	9/30/23	\$330,000	\$329,845	Any remaining unspent funds
ESSER III-American Rescue Plan Act (ARP) *	\$1,312,408	9/30/23	\$656,000	\$656,408	Any remaining unspent funds

\*For ESSER III-requirement for 20% set-aside of \$262,482 to be used for targeted learning loss

# Expenditure Changes from 2021-22

Category	Change from 2020-21
Salaries (100)	(+) 12,000
Benefits (200)	(+) 259,000
Professional & Tech Services (300)	(+) 377,000
Property Services (400)	(-)( 14,000)

Category	Change from 2020-21
Other Services (500)	(+) 780,000
Supplies (600)	(+) 859,000
Property (700)	(+) 68,000
Other Financing Uses (800/900)	<u>(-) 637,000</u>
NET CHANGE	(+) 1,704,000

# Elementary Staffing for 2021-2022

		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** 45*	21/22 15	NO CHANGE	3	54** 56*	18 18/19	NO CHANGE
1 (17-22)	3	66	22	NO CHANGE	3	55	18/19	NO CHANGE
2 (18-24)	3	66	22	NO CHANGE	3	59	19/20	NO CHANGE
3 (18-24)	3	72	24	NO CHANGE	3	68	22/23	NO CHANGE
4 (18-25)	2	58	29	-1	2	54	27	-1
5 (18-25)	3	69	23	NO CHANGE	3	72	22/23	NO CHANGE
TOTAL		395				360		

April 1, 2021 enrollment

Kindergarten \*actual to date \*\*projected for 21/22

# Middle School Staffing for 2021-2022

GRADE	SECTIONS	STUDENTS	CLASS SIZE (# SECTIONS-# STUDENTS)	CHANGE IN STAFF
6 (20-26)	6	133	22/23	-1
7 (20-26)	7	163	23/24	NO CHANGE
8 (20-26)	7	170	24	NO CHANGE
Related Arts (20-26)	Gr 6 Gr 7 Gr 8	133 163 170	22/23 27/28 28/29	-1
TOTAL		466		

April 1, 2021 enrollment



# Summary of Professional Staffing Recommendations for 2021-2022

- Increase ESL from 88% to 100% - EL Services at Weisenberg
- Eliminate 2 Elementary Teacher retirements – attritional reduction
  - Increase 4<sup>th</sup> grade class sizes to 27 (Weis) & 29 (NWE)
- Replaced MS FCS retirement with an existing staff member
  - Eliminate MS & HS Gifted Teacher
    - Increase Elementary Gifted Teacher to cover MS Gifted Seminar
    - MS and HS Teachers/Counselors cover Gifted case management
- Eliminate (1) 6th grade teacher – attritional reduction
- Replace HS Business retirement with an existing staff member
  - Eliminate MS Computers as a Related Arts offering moving forward
- Eliminate (1) HS Special Education Teacher – attritional reduction

# Summary of Admin & Support Staffing & Reductions

- Admin Office Reorganization
  - Eliminate (1) PIMs secretary and reallocate duties
  - Eliminate (1) PT receptionist
- Administrative
  - Reduce Police Chief days per year
  - Potential outsource of management for Food Service to eliminate Food Service Supervisor (decision to be made in June)

# 100-Salaries

Actual 2019-20	Final Budget 2020-21	Proposed Final Budget 2021-22	Increase/ (Decrease)
\$19,641,704	\$20,039,990	\$20,051,890	\$11,900

- Annual salary increases
- Staffing changes as presented
- Changes to budgeted hours based on historical trend and anticipated needs

# 200-Benefits

Actual 2019-20	Final Budget 2020-21	Proposed Final Budget 2021-22	Increase/ (Decrease)
\$10,941,409	\$11,481,928	\$11,741,075	\$259,147

- +9.65% increase to premiums for medical & prescription premiums
- Prior year open enrollment/opt-out changes
- Increased PSERS employee contribution rate to 34.94%
- Decreases for based on staffing plan
- Decreases to other benefits (FICA, Life, LTD, W/C) based on projected staffing

# 300-Contracted Professional Services

Actual 2019-20	Final Budget 2020-21	Proposed Final Budget 2021-22	Increase/ (Decrease)
\$1,767,260	\$1,735,457	\$2,112,899	\$377,442

- Increases to special education services
- Increases for digital academy/online learning
- Minimal changes to tax collection services, professional development, other services

# 400- Purchased Professional Services

Actual 2019-20	Final Budget 2020-21	Proposed Final Budget 2021-22	Increase/ (Decrease)
\$628,145	\$664,880	\$650,660	(\$14,220)

- Minimal changes to repairs & maintenance, rentals, extermination services

# 500-Other Purchased Services

Actual 2019-20	Final Budget 2020-21	Proposed Final Budget 2021-22	Increase/ (Decrease)
\$4,040,304	\$4,126,629	\$4,907,089	\$780,460

- Increase to cyber/charter tuition payments based on projected enrollment & tuition rate
- Increase for LCTI contribution
- Minimal other changes to contracted carriers, insurance, advertising, printing/binding, and travel

# 600-Supplies

Actual 2019-20	Final Budget 2020-21	Proposed Final Budget 2021-22	Increase/ (Decrease)
\$2,794,202	\$2,666,034	\$3,525,300	\$859,266

- Decrease to general supplies
- Increase for heating oil & diesel based on estimated bid pricing & usage (anticipated reduction for June Final Budget Adoption)
- Increase of technology supplies due to Federal Grant funding



# 700-Property

Actual 2019-20	Final Budget 2020-21	Proposed Final Budget 2021-22	Increase/ (Decrease)
\$405,507	\$378,676	\$446,966	\$68,290

- Increase based on capital equipment needs

# 800/900-Other

Actual 2019-20	Final Budget 2020-21	Proposed Final Budget 2021-22	Increase/ (Decrease)
\$4,551,308	\$5,924,041	\$5,285,630	(\$638,411)

- Increase to debt service payments based on debt repayment schedules
- Decrease to Capital Reserve Transfer
- Decrease from prior year for COVID expenditures and PCCD grant funds

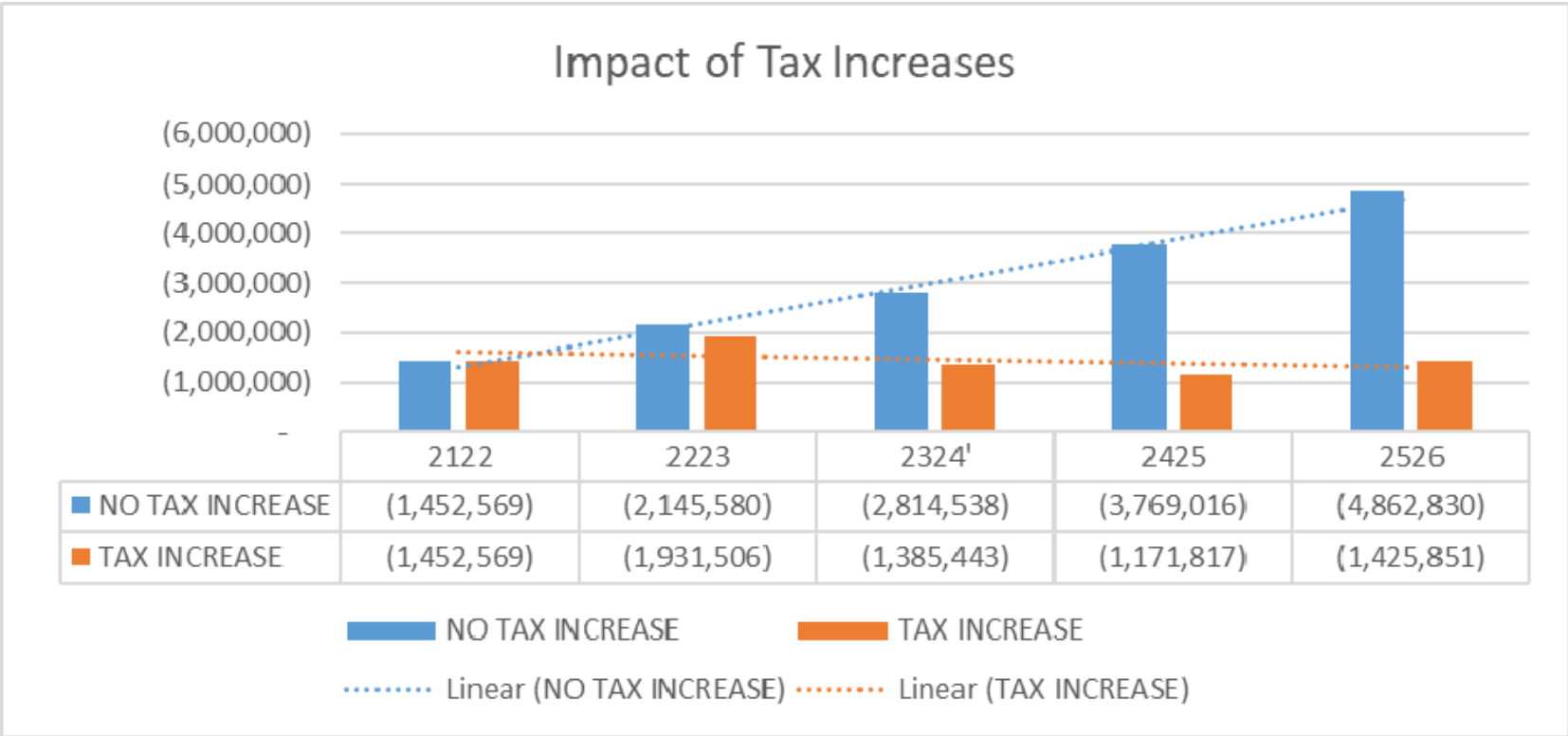
# Estimated Use of Fund Balance

Estimated Shortfall (Prior to a millage increase) May 12 <sup>th</sup>	(\$2,307,569)
RESTRICTED	
Scholarships	\$15,000
COMMITTED	
Emmaus Bond Pool Stabilization	200,000
OPEB	50,000
PSERS Stabilization	485,000
Energy Stabilization-heating oil & diesel	95,000
Millage Stabilization-Senior Tax Rebate	30,000
ASSIGNED	
Fleet Replacements	150,000
Athletic Clubs	5,000
UNASSIGNED	
Unassigned Use	22,569
Budgetary Reserve	400,000
REMAINING SHORTFALL TO BE FUNDED	(\$855,000)
PROPOSED TAX INCREASE	<u>\$855,000</u>

## 2020-2021 Estimated Budget Variances

	2021 Budget	2021 Estimated Actual	Budget Variance Over/(Under)	
Revenues				
Local	\$30,648,787	\$30,424,908	(\$223,879)	
State	13,911,799	13,799,320	(112,479)	
Federal	646,183	647,544	1,361	
Other	<u>0</u>	<u>2,200</u>	<u>2,200</u>	
	\$45,206,769	\$44,873,972	(\$332,797)	-0.74%
Expenditures				
100	\$20,039,990	\$19,388,100	(\$651,890)	
200	11,481,928	11,074,595	(407,333)	
300	1,735,457	1,642,500	(92,957)	
400	664,880	519,600	(145,280)	
500	4,126,629	4,104,105	(22,524)	
600	2,666,034	2,175,519	(490,515)	
700	378,676	440,209	61,533	
800/900	<u>5,923,976</u>	<u>5,109,988</u>	<u>(814,053)</u>	
	\$47,017,635	\$44,454,616	(\$2,563,019)	-5.45%
Net Variance			(\$2,230,222)	-4.74%

# Five Year Budget Projections



NOTE: 2122 Data reflects Proposed Final Budget amounts, which include a 3% tax increase in both scenarios

## 2021-2022 Proposed Final Budget

	2021-2022
Total Revenues	\$46,413,940
Total Expenditures	<u>\$48,721,509</u>
Shortfall	(\$2,307,569)
Proposed Tax Increase	<u>\$855,000</u>
Proposed Final Shortfall	(\$1,452,569)

This budget includes a **0.5165 TAX MILLAGE INCREASE**  
and includes fund balance use of **\$1,452,569.**