



# 2023-2024 Preliminary Budget Overview

NORTHWESTERN LEHIGH SCHOOL DISTRICT

December 7, 2022

# Agenda

- Establish 2023-2024 Budget Goals
- Act 1 Index
- Preliminary 2023-2024 Budget
- Major Cost Drivers
- Closing the Gap
- Recommendation
- 2023-2024 Budget Prep Timeline

# 2023-2024 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

# Act 1 Index-Ability to raise taxes

Act 1 Index & Exceptions	Base Index	Budgetary Impact	Average Taxpayer Impact
Act 1 Index 2023-2024 Base Index	4.10%		
Estimated Tax Revenue	0.7519 mills	\$1,260,762	\$165.42

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 2023-2024.

# Early Look-23-24

	Actual	Final			
	Budget	Budget	Early Look	Change from	% Change
	2021-22	2022-23	2023-2024	2022-23	2022-23
Building & Departments	2,524,829	3,015,656	2,921,120	(94,536)	-3.1%
Salaries	20,048,141	20,706,479	21,366,358	659,879	3.2%
Benefits	11,493,658	12,280,392	12,994,397	714,005	5.8%
District Wide & Grants	<u>12,074,980</u>	<u>14,181,471</u>	<u>13,894,126</u>	<u>(287,345)</u>	<u>-2.0%</u>
Total Expenditures	46,141,607	50,183,998	51,176,000	992,002	2.0%
Total Revenue	47,579,479	47,326,226	47,236,466	(89,760)	-0.2%
Surplus/(Shortfall) before FB	1,437,872	(2,857,772)	(3,939,534)		
Allowable Millage Increase 4.1%		1,009,070	1,260,762		
Revised Shortfall		(1,848,702)	(2,678,772)		

# MAJOR COST DRIVERS:

Category	Increase from Prior Year
Salary Increases	\$659,879
PSERS Employer Contribution 35.69%	\$365,811
Health/Dental Insurance	<u>\$328,352</u>
Total	\$1,354,042

# Closing the Gap...

- Staffing & benefits
  - Previous ESSER funded positions
  - Adjustments to budgeted hours based on historical trend
  - Substitutes
  - Overtime
- Potential savings on retirements/resignations/furloughs
- Bid pricing for heating oil, diesel and gasoline
- Cyber Charter based on 22-23 enrollment
- Senior Citizen Tax Rebate
- 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 18, 2023.



# 2023-2024 Budget Timeline

October 28, 2022	Deadline to schedule Building/Department Budget Meetings
November & December	Individual Building/Department Meetings
December 7th/January 4th	Big Picture budget presentation to Board
January 18, 2023	Resolution Not to Exceed Act 1 Index/Preliminary Budget Adoption
January, February, March	Budget Presentations to Board
April 28, 2023	Budget Summary Staff/Community Communications
May 3, 2023	Proposed Final Budget Presentation
May 10, 2023	Proposed Final Budget Adoption
June 7, 2023	Final Budget Presentation
June 21, 2023	Final Budget Adoption