

**NORTHERN LEHIGH SCHOOL DISTRICT
FINANCE COMMITTEE MEETING**

**Wednesday, April 7, 2021
Immediately Following Technology/Buildings & Grounds Meeting
NLSD Media YouTube Channel**

Committee Members			Meeting Dates		
X	Donna Kulp - Chairperson	X	Susan Bahnick	Jan 6	June 9
X	Robin Distler -Co-Chairperson	X	Jennifer Butz	Feb 3	Aug 4
X	Mathias Green		Tim Weaber	March 3	Sept 8
X	Robert Kern	X	Eric Hill	April 7	Oct 6
X	Matt Link			May 5	Nov 3
X	Rhonda Frantz – Liaison				
X	Sherri Molitoris - Liaison				

Also in Attendance: Mr. Fedorcha, SPO Gnas

MINUTES

- Cafeteria
 - Mrs. Bahnick reported that the Seamless Summer Feeding Program has been extended. Feeding is free to all students to September 30th or the first day of school. Mrs. Bahnick has reached out to Mr. Weaber and his group and the Rec Center.
 - Cafeteria has a lot on their plate right now and is doing well.
- 2021-2022 Budget
 - A PowerPoint was presented for the Proposed Preliminary Budget for the 2021-2022 School Year and District Long Term Planning.
 - COVID-19 Affects Current Year Budget
 - PCCD Covid - \$182,692 - Completed, PCCD Covid II - 44,349 - Completed, ESSER I - \$324,575 - Completed, ESSER II - \$1,463,002 - September 2023, ESSER III - \$2,948,680 - September 2024 (allows for supplanting opportunities)
 - Other potential savings: Substitute (Day-to-Day & Permanent Building Subs) and Utilities (electric due to ESCO project)
 - COVID-19 Affects Food Services
 - Negatives - Loss of revenues from monthly general operating profits
 - Average daily losses from a la carte sales, minor catering, and less overall participation
 - Positives - May recoup some loss revenue during the summer feeding program approved by USDA, generous donations from various community groups and individuals

- COVID 19 Affects 21/22 Budget Year & Beyond
 - Act 1 Index
 - Independent Financial Office (IFO) Projections Weighted Index February 2021
 - 21/22 - 3.4
 - 22/23 - 4.2 (projected)
 - 23/24 - 4.2 (projected)
 - 24/25 - 3.8 (projected)
 - 25/26 - 3.1 (projected)
 - PSERS (Updated projected not available until June 2021)
 - Contribution Rate Projections from June 30, 2020, based on 7.25% Market Rate of Return (MRR)
 - 2021 - 34.95% (Actual 34.94%)
 - 2022 - 35.62%
 - 2023 - 36.12%
 - 2024 - 36/60%
 - 2025 - 37.23%
- District Profile - Student enrollment trends with a 3-year look back were presented. Anticipated enrollment for 2021-2022 are: K - 110-120, 1st - 110, 2nd - 117, 3rd - 130, 4th - 122, 5th - 119, 6th - 118, 7th - 106, 8th - 141, 9th - 120, 10th - 120, 11th -125, 12th - 112
 - Enrollment is steady.
- Employee Profile - Anticipated staff for 2021-2022 school year: Support Staff - 113 (108 for 20/21), Professional Staff - 126.5 (125.5 for 20/21), Administration - 16 (16 for 20/21) Total staff for 21/22: 248.5
 - Potential increase in position to help address learning loss, funding through ESSER grants. Any new hires would be made aware that the position is through grant funding and could go away at the end of the 2023/2024 school year. These positions would create smaller group instruction.
- Composite Data as related to expenditures, revenues, and fund balance.
 - Looking back at the 18-19 and 19-20 school years (actual numbers).
 - 18-19 SY - 34.5 million in expenditures, 32.9 million in revenues, and used almost 1.6 million in fund balance to balance the budget
 - 19-20 SY - 33.9 million in expenditures, 33.7 million in revenues, and used about 162,000 in fund balance to balance the budget
 - 20-21 SY (Estimated through the end of the year) - 32.9 million in expenditures, 33.7 million in revenues. Will probably realize about \$760,000 in additional revenues which means that the fund balance will be increased.

- Agreed not to raise taxes over the adjusted index of 4% per approved Act 1 Resolution in December.
 - Did not apply for exception (Special Education, PSERS)
 - Anticipated that the fund balance at the end of the year will be somewhere 10.5 million with the additional \$760,000.
 - Again, these are all projected numbers.
- Recommended Action at each building level
 - Peters Elementary
 - Two additional support staff (instructional paraeducators)
 - Relocate one professional staff position to Slatington Elementary based on class sizes.
 - No budgetary increase for materials or programs
 - Playground equipment upgrades are desired and administration is considering action to be funded through ESSER funds.
 - Slatington Elementary
 - Two additional support staff (instructional paraeducators)
 - Relocate one professional staff position from Peters Elementary based on class sizes.
 - No budgetary increase for materials or programs
 - Northern Lehigh Middle School
 - One additional support staff (instructional paraeducators)
 - Reduction of one professional position (ELDP/Gifted) through attrition. Without filling the position, we can still meet the needs in the district with staff that is available.
 - No budgetary increase for materials or programs
 - Northern Lehigh High School
 - Status quo for support and professional staff
 - No budgetary increase for materials or programs
- 2021/2022 Budget Concerns - Expenditures
 - Increase in Salaries - \$483,000
 - Increase in Retirement/PSERS - \$212,000
 - Increase in Medical - \$200,000
 - Increase in Social Security - \$32,000
 - Retirements are not taken into consideration for the above until board approved. Numbers will be accurate for the May board meeting.
 - Increase in Charter School - \$456,000
 - 19/20 - Paid \$1,268,000
 - 20/21 - Anticipating \$1,724,000
 - Increase in Technology - \$50,000

- Increase at LCTI - \$75,000
- Reduction in Electric - \$25,000 (ESCO project savings)
- Heating Oil - Waiting on bid for April 30, 2021
- Reduction in Outplacement - \$25,000

Mr. Green commented that the retirement, medical and social security increase is almost as much as the salary increase.

- Current Budget Revenues
 - Real Estate Tax Collection Rate
 - Due to COVID, projected 92.75% collection (reduction of 1%). However the collection was 94% rate. Recommending 93.75% for the 21/22 SY
 - 21/22 Potential Tax Freeze - could be a loss of \$338,000 this year and every year thereafter
 - Per Capita - Collection is right on target
 - EIT Collections
 - Still reduction in interest in investments because the investment market is not giving a lot of money right now. Moving to Neffs Bank has given the district better monthly returns on interest.
 - State & Federal Revenues - currently budgets flat for Basic Education and Special Education
- Current Fund Balance - June 30, 2020
 - End the year with 9.7 million in the fund balance.
 - Do not anticipate using any this year. Most likely a \$700-\$750,000 increase.
 - Bonds were refinanced. Had we not refinanced, we would have paid almost 3 million in bond payment this year and using 2 million in fund balance for the payment. 2022-2023 the bond payments are coming back to the 3 million in payments. The bonds will be finished in the 2028-2029 school year.
- Long Term Project Planning & Fund Balance Utilization
 - NLHS Science Rooms Labs - Completed
 - NLHS Furniture Science Rooms - Completed
 - Network Switches - Completed
 - NLMS Classroom Tile Floors - Completed
 - NLMS Furniture Replacement - Delay
 - Large Utility Shed/Pole Building - Delay

- Field House/Stadium Crack and Seal Coating - Recommending to complete this budget year prior to 6/30/21
- Peters Crack and Seal Coating - Recommending to complete this budget year prior to 6/30/21.
- Replace Little Dump Truck - Completed
- NLHS Furniture Replacement - Delay
- NLMS Kitchen - Looking at total replacement - researching cost and funding source. McClure Company will be looking at the kitchen next Monday.
- Slatington Furniture Replacement - Delay
- Water Treatment Plant at Peters - 22/23 SY
- Peters Furniture Replacement - 22/23 SY
- Chillers at NLHS - 22/23 SY
- Zero-Turn Lawn Mower - purchase order has been issued from current budget
- Bobcat - looking to purchase July 2023
- Maintenance Truck w/Utility Box - looking to purchase July 2023
- Baseball/Softball Fields - 24/25 SY
- Estimated Fund Balance - June 30, 2021
 - In July 2020 there was 9.7 million. Anticipating addition of \$760,000 this year. Should end somewhere around 10.5 million.
 - Prediction of \$1,197,722 shortfall for the 21/22 SY. Still not sure where the state budget will fall with anticipated increases.
- The (Tentative) Big Picture
 - Expenses - \$34,377,801
 - Revenues - \$33,180,079
 - Shortfall - \$1,197,722
 - PSERS \$212,000
 - Healthcare Increases \$200,000
 - Additional amount need to balance budget \$785,722
- Potential Additional Revenues Not in Current Numbers
 - Governor's Proposed Budget
 - Basic Education Subsidy Increase \$116,883
 - Special Education Subsidy Increase \$233,664
- Administrative Recommendations
 - Consider a tax increase and utilization of fund balance to generate some revenue for the upcoming year.
 - Transportation Subsidy
 - Continue to work with Brandywine for Fixed Costs 2020-2021 SY so subsidy is not affected in the 2021-2022 school year.

- Continue to look for opportunities to decrease expenditure and/or increase revenues as more information becomes available on ESSER's II & III funding and supplanting opportunities.

Mrs. Kulp asked if the ESSER grant could be used towards the NLMS kitchen. Mrs. Molitoris said yes, that it is what we are looking at to see if it can be used for that purpose. ESSER's does allow to supplant.

Mr. Kern asked if Mrs. Molitoris could give an approximation on how much we spend each year on technology. The current technology budget is \$403,000. \$100,000 is in there as a cushion because we are building up for the four year lease for replacement of ChromeBooks. The district spends \$303,000 for technology. Mr. Kern commented that we've entered this year of COVID and he's been quiet on the use of technology in education. It's become apparent that this is a huge need. We trained our staff in a hurry. Used an outside source. Sooner or later that outside source goes away and we still have this \$500,000 for investment, laptops and technology and hotspots and community spots. Yet, we're doing nothing to improve our staff over the years in educational technology. There are free educational apps that our teachers are never going to research. There's a plethora of different opportunities in educating our staff and training our staff in the use of technology in the classroom. His fear is if there is not a position in the district to oversee the entire program, it's going to go away as wasted money. He does not want to see the district fall behind in the use of technology for education. If we don't improve that, we're going to lose students to people who can do that. He thinks we have an opportunity here to really focus on the use of technology in educating our kids. He's not saying to supplant teachers, he's talking about in addition to, so that in the classroom we have the use of technology to enhance learning. It's paramount that we use or utilize whatever resources we have to continue this. Mr. Kern commented that Eric does a great job and everything that he has done for the infrastructure. It's how we use it now. If we're going to advance as a school district, we need to start looking at what's coming.

Mrs. Molitoris clarified what Mr. Kern was asking. You're looking at a position, a teacher or somebody that is a technology education person, that will teach our staff how to effectively use the programs. Mr. Kern commented that he is looking at an administrator to do that. Mrs. Molitoris agreed to the correction.

Mr. Fedorcha complimented Mrs. Molitoris and Mrs. Frantz on putting the budget together.

- PCCD Competitive Grant Purchasing
 - Officer Gnas reported on some of the items being purchased through the PCCD grant.
 - ALICE Training - This has been implemented in the school district. The platform is for the staff to use on their professional development days. This will give them additional training every year and will log their hours. It will cover two years of costs for 21/22 and 22/23.
 - An AD for the new cruiser.
 - Working with Mrs. Dotta to purchase EVAC chairs for the buildings - 2 at SE, 1 at HS, 1 at PE and 1 for the stairwell at the district office. Potentially one for the stadium also.
 - Fire escape or ALICE escape ladders. Officers Jones and Gnas went to each building and measured every window. The need is greater than originally budgeted. One is being ordered to test and determine it works.
 - To-Go Buckets (emergency/trauma buckets). Looking to get a bucket for every classroom that will allow the classroom to be self-sustaining in an extended lockdown

Meeting closed at 6:46 p.m.

Reminder: Next meeting is scheduled for Wednesday, May 5, 2021.