



2024-2025 Preliminary Budget Overview

NORTHWESTERN LEHIGH SCHOOL DISTRICT

January 3, 2024

Agenda

- Establish 2024-2025 Budget Goals
- Act 1 Index
- Preliminary 2024-2025 Budget
- Major Cost Drivers
- Closing the Gap
- Recommendation
- 2024-2025 Budget Prep Timeline

2024-2025 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 2024-2025 Base Index	5.3%		
Estimated Tax Revenue	1.0117 mills	\$1,704,959	\$222.57

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 2024-2025.

Act 1 History

School District	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Allentown City SD	8.2%	6.3%	5.3%	4.6%	4.0%	3.5%	3.7%	3.8%	3.6%	2.9%	3.2%	2.6%
Catasauqua Area SD	7.0%	5.3%	4.4%	3.9%	3.3%	2.9%	3.1%	3.2%	3.1%	2.4%	2.6%	2.1%
East Penn SD	6.2%	4.9%	4.0%	3.6%	3.0%	2.7%	2.8%	2.9%	2.8%	2.2%	2.1%	1.7%
Northern Lehigh SD	7.1%	5.5%	4.6%	4.0%	3.5%	3.0%	3.2%	3.4%	3.2%	2.6%	2.8%	2.4%
Northwestern Lehigh SD	5.3%	4.1%	3.4%	3.0%	2.6%	2.3%	2.4%	2.9%	2.8%	2.2%	2.4%	2.0%
Parkland SD	5.3%	4.1%	3.4%	3.0%	2.6%	2.3%	2.4%	2.5%	2.4%	1.9%	2.1%	1.7%
Salisbury Township SD	5.3%	4.1%	3.4%	3.0%	2.6%	2.3%	2.4%	2.5%	2.4%	1.9%	2.1%	1.7%
Southern Lehigh SD	5.3%	4.1%	3.4%	3.0%	2.6%	2.3%	2.4%	2.5%	2.4%	1.9%	2.1%	1.7%
Whitehall-Coplay SD	7.1%	5.5%	4.6%	4.0%	3.4%	3.0%	3.2%	3.3%	3.1%	2.4%	2.7%	2.1%

Early Look 24-25

				Change from	
	Actual	Budget		Proposed	
	2022-2023	2023-2024	2024-2025	Final	% Change
Building & Departments	3,051,516	3,151,294	3,217,806	66,512	2.1%
Salaries	20,770,504	21,178,915	21,853,697	674,781	3.2%
Benefits	12,328,241	12,886,789	13,471,460	584,671	4.5%
District Wide & Grants	13,302,759	13,641,760	14,875,073	1,233,313	9.0%
Total Expenditures	49,453,020	50,858,758	53,418,035	2,559,277	5.0%
Total Revenue	49,282,065	49,340,236	48,970,437	(369,799)	-0.7%
Surplus/(Shortfall) before FB	(170,955)	(1,518,522)	(4,447,598)	(2,929,076)	
Proposed Millage Increase 5.3%			1,705,011		
Revised Shortfall					
Use of fund balance		(1,518,522)	(2,742,587)		

MAJOR COST DRIVERS:

Category	Increase from Prior Year
Salary Increases	\$674,781
PSERS Employer Contribution 34.9%	\$291,444
Health/Dental Insurance	\$182,387
IU-Special Education Services	\$400,000
LCTI	\$118,000
Fuel	<u>\$190,000</u>
Total	\$1,856,612

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 and gasoline
- Cyber Charter based on 23-24 enrollment
- Evaluate capital reserve transfers/equipment replacements
- Reductions to Building/Department budgets
- Planned use of fund balance

2024-25 Budget Timeline

December 6, 2023	Resolution Not to Exceed Act 1 Index/Preliminary Budget Adoption
January 3, 2024	Big Picture budget presentation to Board
May 1, 2024	Proposed Final Budget Presentation
May 8, 2024	Proposed Final Budget Adoption
June 5, 2024	Final Budget Presentation
June 19, 2024	Final Budget Adoption