



2025-2026 Early Look of Preliminary Budget Overview

NORTHWESTERN LEHIGH SCHOOL DISTRICT

December 4, 2024

Agenda

- 2025-2026 Budget Goals
- Act 1 Index
- Early look at the Preliminary 2025-2026 Budget
- Major Cost Drivers
- Closing the Gap
- Recommendation
- 2025-2026 Budget Prep Timeline

2025-2025 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 2025-2026 Base Index	4.00%		
Estimated Tax Revenue	0.8040 mills	\$1,371,725	\$176.88

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 2025-2026.

Early Look 25-26

	Actual	Final	Early Look		
	Budget	Budget	Budget	Change from	
	2023-2024	2024-2025	2025-2026	2024-2025	% Change
Building & Departments	3,116,573	3,198,942	3,208,086	9,144	0.3%
Salaries	21,020,650	21,730,148	22,485,321	755,174	3.5%
Benefits	12,571,527	13,322,396	14,516,684	1,194,288	9.0%
District Wide & Grants	12,877,798	14,564,364	14,564,364	-	0.0%
Total Expenditures	49,586,549	52,815,850	54,774,455	1,958,605	3.7%
Total Revenue	51,553,842	51,780,967	51,785,734	4,767	0.0%
Surplus/(Shortfall) before FB	1,967,293	(1,034,883)	(2,988,721)		
Allowable Millage Increase 4%			1,371,725		
Revised Shortfall			(1,616,996)		

MAJOR COST DRIVERS:

Category	Increase from Prior Year
Salary Increases	\$755,174
PSERS Employer Contribution 34.72%	\$522,358
Health/Dental Insurance	<u>\$575,591</u>
Total	\$1,853,123

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 and diesel
- Cyber Charter based on 24-25 enrollment
- 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 at the January 22, 2025 board meeting.

2025-2026 Budget Timeline

October 31, 2024	Deadline to schedule Building/Department Budget Meetings
November & December	Individual Building/Department Meetings
December 4th/January 8th	Big Picture budget presentation to Board
January 22, 2025	Resolution Not to Exceed Act 1 Index Or Preliminary Budget Adoption
January to June	Budget Presentations to Board
May 7, 2025	Proposed Final Budget Presentation
May 14, 2025	Proposed Final Budget Adoption
June 4, 2025	Final Budget Presentation
June 18, 2025	Final Budget Adoption