



# NORTHERN LEHIGH SCHOOL DISTRICT

NL HIGH SCHOOL • NL MIDDLE SCHOOL • SLATINGTON ELEMENTARY • PETERS ELEMENTARY



## Proposed Final Budget for 2025-2026 School Year and District Long Term Planning

Finance Committee Meeting

May 5, 2025

Living, Learning, and Leading to Make Every Story Better

# Act I Index & PSERS

## Act I Index

- \* Independent Financial Office (IFO) Projected Weighted Index
  - \* 25/26 4%
    - \* Adjusted 5.5% (Passed Proposed Final Budget at 3.5%)
  - \* 26/27 3.6% (projected)
  - \* 27/28 3.2% (projected)
  - \* 28/29 3.1% (projected)

## PSERS

- \* The below projected employer contribution rates using a June 30, 2023 valuation and presumes a 7.00% Market Rate of Return (MRR).
  - \* 2025 34%
  - \* 2026 34.72% (projected)
  - \* 2027 35.26% (projected)
  - \* 2028 35.85% (projected)

# District Profile

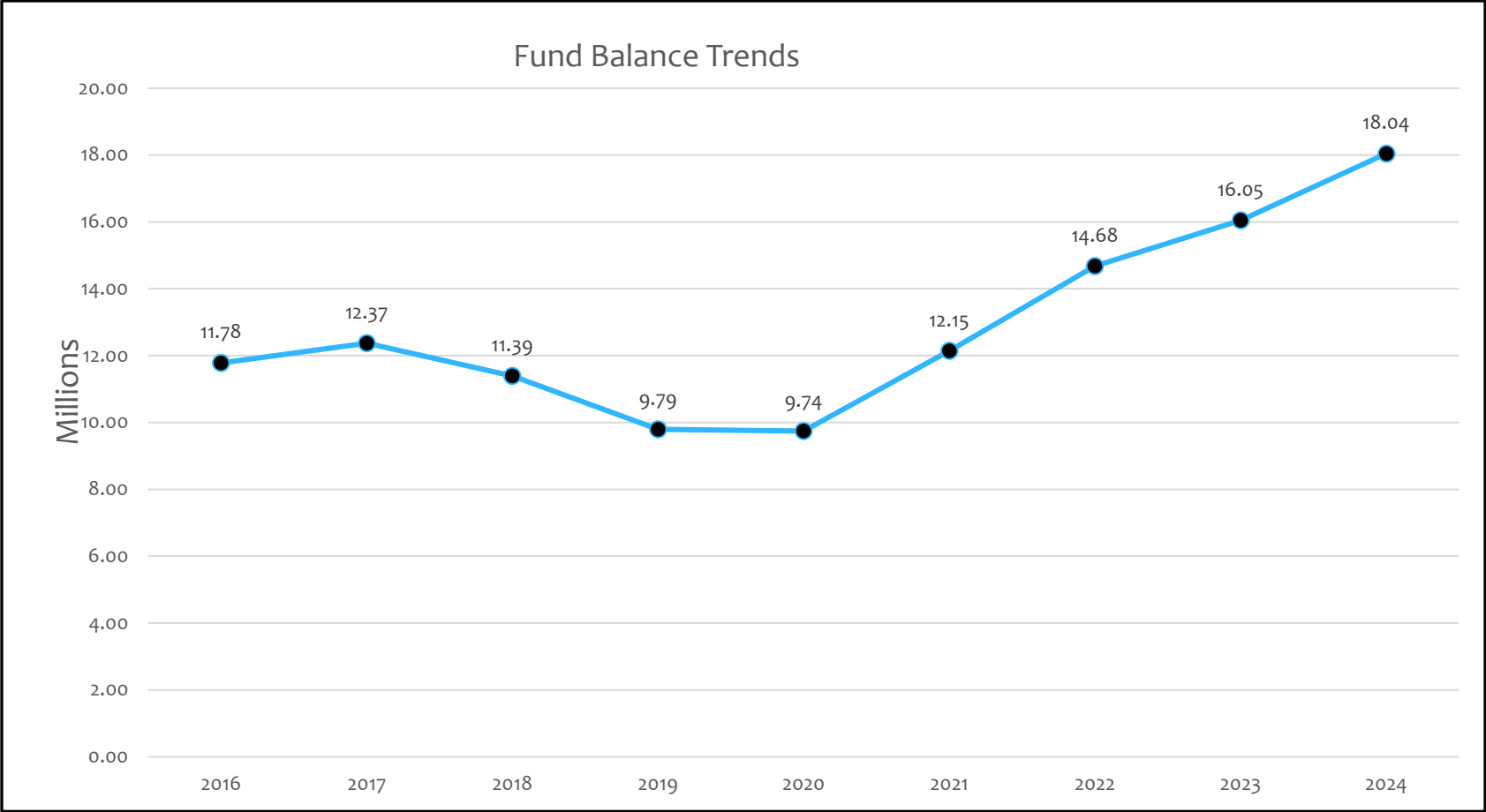
Student Enrollment by Grade	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026 Anticipated
Kindergarten	106	144	128	124	<b>115-125</b>
1 <sup>st</sup>	106	112	139	125	124
2 <sup>nd</sup>	120	116	111	139	125
3 <sup>rd</sup>	132	121	116	114	139
4 <sup>th</sup>	105	137	122	116	114
5 <sup>th</sup>	117	114	133	122	116
6 <sup>th</sup>	105	119	120	129	122
7 <sup>th</sup>	111	113	114	124	129
8 <sup>th</sup>	134	121	115	119	124
9 <sup>th</sup>	120	136	124	120	119
10 <sup>th</sup>	112	124	128	118	120
11 <sup>th</sup>	115	99	122	134	118
12 <sup>th</sup>	111	122	106	125	134
Totals	1,494	1,578	1,578	1,609	1,609

# Employee Profile

Employee Groups	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Support Staff	108	108	115	116	119	118	120
Professional Staff	127.5	125.5	126.5	128.5	129	130	131
Administration	16	16	16	16	16	16	16
Total	251.5	249.5	257.5	260.5	264	264	267

\*Includes 1 Special Education Teacher at SES, 1 Para at PES(Reg. Educ.) & 1 Para at SES (Spec. Educ. 1:1)

# Fund Balance





# NORTHERN LEHIGH

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## PETERS • ELEMENTARY



### \* Recommended Action

- Transfer 2<sup>nd</sup> grade teacher to 3<sup>rd</sup> grade due to class size.
- Add paraeducator position funded through general fund.
  - Prioritize first-grade students' needs and assign paraeducator to support the reading and math intervention needs of students at risk in these subject areas.



# NORTHERN LEHIGH

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## SLATINGTON • ELEMENTARY



### \* Recommended Action

- Add one Special Education Teacher position funded through reintegration of outplaced students (2-3 over time). Additionally, we will avoid the cost of having to outplace two rising third graders. This position will be for a new SES Emotional Support Classroom.
- Add one paraeducator positions funded through savings of a reintegrated outplaced student who has a 1:1 Paraeducator. When we hire the paraeducator directly for our classroom, it will be less expensive than our current cost.



# NORTHERN LEHIGH

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## MIDDLE • SCHOOL



### \* Recommended Action

- Repurpose NLHS business/technology education position vacancy due to retirement to new secondary music position to be shared with NLHS.
- Consider building a 6<sup>th</sup> grade wing on middle school and relocating 6<sup>th</sup> grade to NLMS.





# NORTHERN LEHIGH

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## H I G H • S C H O O L



### \* Recommended Action

- Repurpose business/technology education position vacancy due to retirement to new secondary music position to be shared with NLMS.

# 2025-2026

## Budget Increased Expenditures

### COST DRIVERS 25/26 SY

- \* Transportation
- \* Bond For New MS Configuration and Common Campus (If approved)
- \* New Staffing Positions
- \* Charter/Cyber Charter Schools
- \* Outplacements
- \* PSERS
- \* Healthcare

# Proposed Bond Budget Impact

## CURRENT OUTSTANDING PRINCIPAL BOND (\$18,785,000)

- \* Yearly Payment \$2,000,000 (ending June 2037)

## PROPOSED PRINCIPAL BOND (\$50,000,000)

- \* Bond For New MS Configuration and Common Campus
- \* Adding \$500,000 for increased Bond payments beginning in the 2025-2026 SY and ending 2029-2030 SY
- \* Represents a 3.5% increase over next 5 years beginning with the 2025-2026 SY
- \* Incrementally build capacity in budget to absorb additional \$2,500,000 needed annual beginning in the 2030-2031 SY – Annual Bond Payment 2030-2055 \$4,500,000

# Projected 2025-2026 Budget Revenue Streams

## Real Estate Tax Collection Rate

- \* 94.75% for 25/26 SY
- \* 3.5% proposed final tax increase – additional \$669,010 in tax revenue

## Federal Revenues – Budget at 2024-2025 amounts

## State Revenues – Budgeted at a slight increase over the 2024-2025 amounts

- Basic Education Funding – Governor’s 2025-2026 budget proposal \$276,383 increase in funding.
- Special Education Funding – Governor’s 2025-2026 budget proposal \$81,017 increase in funding
- Ready To Learn Block Grant Flat Funded, but will receive \$24,008 due to tax equity adjustments

# Long Term Project Planning & Fund

Item	Year	Cost	Notes
NLMS Furniture Replacement	2025-2026	\$55,000	Fund Balance Expense
SES Furniture Replacement	2025-2026	\$45,000	Fund Balance Expense
PA System for Baseball/Softball	2025-2026	\$10,000	Maintenance/Athletics Budget
Maintenance Pick-Up Truck w/ Plow	2025-2026	\$55,000	Fund Balance Expense
NLHS Flooring Replacement (Grant)	2025-2026	\$270,000	PSFI Grant/Fund Balance
NLMS Water Softener & Filtration	2025-2026	\$20,000	Maintenance Budget
SES Furniture Replacement	2026-2027	\$55,000	Fund Balance Expense
NLHS Furniture Replacement	2026-2027	\$45,000	Fund Balance Expense
Net Sports Complex	2026-2027	\$1,000,000	Fund Balance
Peters Furniture Replacement	2027-2028	\$45,000	Fund Balance Expense
NLHS Furniture Replacement	2027-2028	\$55,000	Fund Balance Expense
Security Camera Upgrades	2027-2028	researching	Technology Fund Balance

# Long Term Project Planning & Fund Balance Utilization Continued...

Item	Year	Cost	Notes
Network Switches	2027-2028	\$385,000	Technology Fund Balance/E-Rate
Server Center Lease	2028-2029	\$50,000	Technology Budget
Peters Furniture Replacement	2028-2029	\$55,000	Fund Balance Expense
Middle School/High School Parking Lot Seal Coating	2028-2029	\$40,000	Capital Reserve Expenditure
Stadium Turf	2028-2029	\$500,000 - \$750,000	Capital Reserve & Fund Balance
Stadium Score Board	2028-2029	\$200,000	Capital Reserve & Fund Balance
Slatington/Peters/Stadium School Parking Lot Seal Coating	2029-2030	\$50,000	Capital Reserve Expenditure
Chillers at NLHS	2029-2030	\$200,000	Capital Reserve Expense
Stadium Track Resurfacing	2029-2030	\$400,000	Capital Reserve & Fund Balance
Stadium Press Box	2029-2030	researching	Capital Reserve & Fund Balance
Large Utility Shed/Pole Building	2031-2032	\$1,00,000	Capital Reserve Expense/Fund Balance
Stadium Lighting Upgrades	2032-2033	\$1,000,000+	Capital Reserve Expense/Fund Balance

# 2025 Summer Programs

- **Elementary STEAM Camp: (12 days/4 hrs. per day)**
  - Salaries/Benefits, Transportation, Food, Materials - \$30,000
    - **NLEF has committed to cover all cost up to \$30,000.**
- **Open Horizons: (12 days/4 hrs. per day)**
  - Salaries/Benefits - \$31,000 (not including FSD staff)
  - Transportation - \$14,000
  - Food Breakfast - \$1,344
  - Food Lunch - \$2,352
  - Food Both - \$3,696
  - Total - \$48,696 (both meals)

# ESTIMATED FUND BALANCE

## June 30, 2025

<b>Beginning Fund Balance July 1, 2024:</b>	\$18,043,874
<b>Ending Fund Balance June 30, 2025 (\$725,000):</b>	<b>\$18,768,874</b>
<b>Committed Fund Balance:</b>	
Health	\$ 709,128
PSERS	<u>1,809,115</u>
<b>Total Committed:</b>	<b>\$2,518,243</b>
<b>Assigned Fund Balance:</b>	
<b>Assigned Current Year Usage (2025-2026):</b>	
<b>One Time Purchases:</b>	
Truck (\$55,000), MS Furniture (\$55,000), SE Furniture (\$45,000), Bonds (\$200,000)	
HS Flooring Project (\$270,000), MS Water Softener System (\$18,000)	<b>\$ 643,000</b>
PSERS (\$215,000), Healthcare Increases (\$224,000)	<b>439,000</b>
Technology (Includes 1:1 Insurance):	1,465,311
Replacement Equipment:	2,519,518
Long Range Maintenance:	2,989,002
Future Dept Service Payments:	2,400,000
Future Curriculum Needs	750,000
Capital Reserve Fund Transfer	2,196,332
Student Activity Accounts:	
Slatington Elementary	11,775
Peters Elementary	31,238
Refreshment Stand:	40,915
<b>Total Assigned:</b>	<b>\$13,486,091</b>
<b>Unassigned Fund Balance:</b>	<b>\$ 2,419,444</b>
<b>Restricted Fund Balance:</b>	
High School Scholarship Acct:	<u>173,297</u>
<b>Total Restricted Fund Balance:</b>	<b>\$173,297</b>
<b>Non-Spendable:</b>	<u>\$171,799</u>
<b>Total Fund Balance:</b>	<b>\$18,768,874</b>



# DISTRICT EXPENSES vs. REVENUES

## EXPENSES

2025-2026

100	Salaries	16,447,884
200	Other Benefits	1,653,902
211	Medical	3,570,785
230	Retirement	5,398,271
300	Contracted Services	2,478,009
400	Purchased Property	1,445,817
500	Other Contracted Services	7,388,788
600	Supplies/Books/Utilities	1,461,720
700	Property	121,000
800	Other Objects	970,325
900	Principle Repayment/Transfers	<u>2,056,730</u>
<b>TOTAL EXPENSES</b>		<b>42,993,231</b>

## REVENUES

2025-2026

LOCAL	23,018,822
STATE	17,322,117
FEDERAL	570,000
OTHER	140,000
<b><i>FUND BALANCE – 1X Purchases &amp; PSERS</i></b>	<b><u>1,082,000</u></b>
<b>TOTAL REVENUES</b>	<b>42,132,939</b>

**BUDGET SHORTFALL: \$860,292**

**\*Local Revenues currently include a 3.5% tax increase**

**(\$669,010)**

# The (Tentative) Big Picture

Expenses:	\$42,993,231
Revenues (with 3.5% Tax Increase):	(41,050,939)
Revenues (Fund Balance 1X Purchases & PSERS):	<u>(1,082,000)</u>
Budget Shortfall:	\$ 860,292

<b>BUDGET SHORTFALL:</b>	<b>\$860,292</b>
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Estimated ending fund balance for 2025-2026, if the district utilizes \$1,082,000 for 1X purchases, Debt Payments, PSERS & Healthcare increases, would be \$17,686,874 and if fund balance was used to pay for remaining budget shortfall which represents reoccurring costs, the estimated ending fund balance would be \$16,826,582.

# Prior Year Tax Increase Data

## REAL ESTATE TAX INCREASE PRIOR YEARS

	<u>Preliminary</u>	<u>Final</u>
2020-2021	3.50%	2.00%
2021-2022	4.00%	2.00%
2022-2023	4.60%	2.50%
2023-2024	5.50%	3.50%
2024-2025	5.12%	2.00%
2025-2026	3.5%	?

# Impact on Property Owners

We can not increase taxes over 3.5% (preliminary budget approval) which is \$669,010 in additional revenue.

Annual tax increase on a median assessed home at 3.5%:

- Lehigh County
  - Lehigh County (151,850) = \$134.00 (\$11.16/month, \$2.58/week, \$0.37/day)
- Northampton County
  - Northampton County (46,200) = \$123.00 (\$10.25/month, \$2.37/week, \$.34/day)

Value of a Mill is \$670,045

Dual County School District must equalize their mills between counties by using STEB Market Value Data rebalancing each year

# Homestead/Farmstead Relief

- \* Total Properties in NLSD:
  - \* LC – 4,949
  - \* NC – 940
  
- \* Total HS/FS Properties:
  - \* Lehigh County
    - \* Total Residential Properties HS/FS - 4,081
  
  - \* Northampton County
    - \* Total Residential Properties HS/FS - 893
  
- \* HS/FS Relief Money:
  - \* 2023-2024 – \$1,198,042
  - \* 2024-2025 - \$1,436,526
  - \* 2025-2026 - \$1,655,473
  - \* Increase for 2025-2026 - \$218,947

## **Taxpayer Relief:**

**2023-2024 - \$354.61**

**2024-2025 - \$427.82**

**2025-2026 - \$500.62**

**Additional Relief: \$72.80**

# Administrative Recommendations

- \* Utilization for Fund Balance for One-time Purchases, Debt Service Payment, and PSERS and Health Care Increases
- \* Pass a 3.5% tax increase in conjunction with utilization of fund balance to close the gap in addition to generating some revenue for upcoming years for possible construction or renovation projects.
- \* Addition of a special education teacher at SES to open an ES classroom and reintegrate outplaced students.
- \* Continue to look for grant revenue opportunities to fund positions such as school police officer and social worker.
- \* Continue to search for expenditure savings, such as reintegrating outplaced students.
- \* Planning to extend NLHS Flooring Project so all floors are replaced over the next three years.
- \* Discontinue the Open Horizons Summer Camp and instead fund two additional paraeducators; one each for PES and SES.

# QUESTIONS & COMMENTS from School Board Members

