



Southern Lehigh School District

LEARNING • SERVING • LEADING

One Interaction at a Time

DRAFT Annual School Budget 2026-2027 Update – January 26th

Louis J. Pepe, MBA, PCSBA, SFO Director of Business Services



ABOUT THE PROCESS

Budget Calendar

Budget Development Guidelines

Site-Based Budgets (SBB)

Zero-Based Budget (ZBB)



*Continuing our investment
in our students
To include Full-Day
Kindergarten*



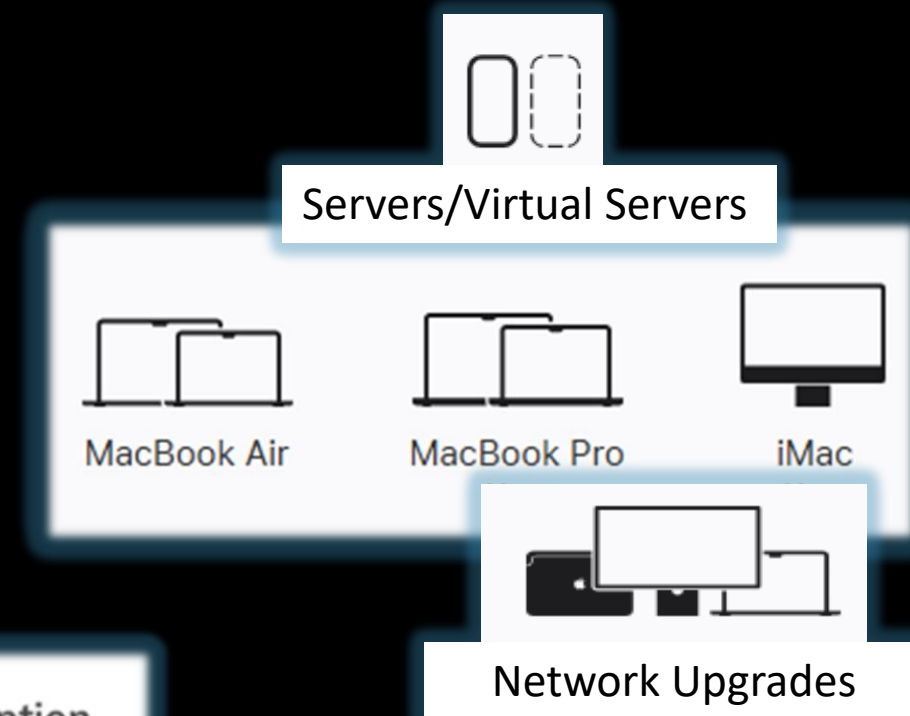
*While developing a budget
that balances needs with fiscal responsibility*



Reviewing Multi-year Plans w/budget



information technology (IT)



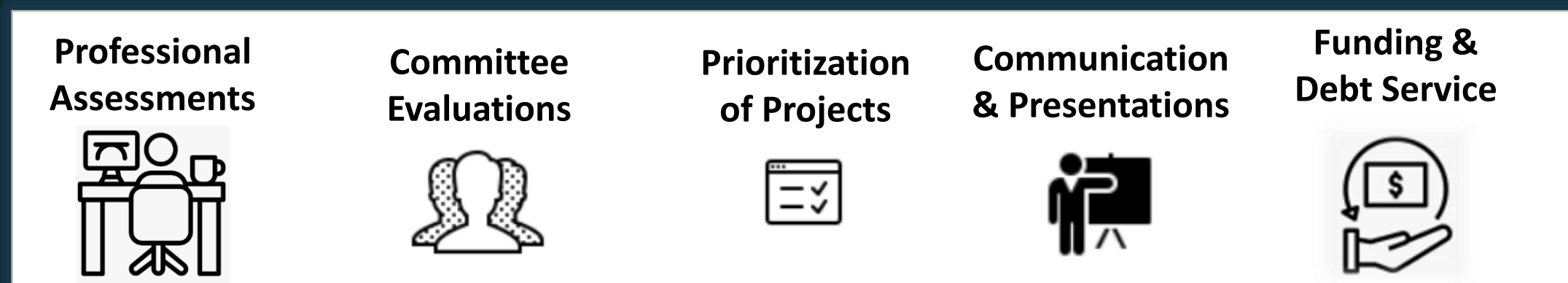
curriculum



- Curriculum Review
- Textbook Adoptions
- Program Improvements



facilities



Budget Drivers for FY 2027

Staffing Increase
for FDK

Health Benefits
Increase

Managing Tax
Millage and Fund
Balances

*Well-positioned to meet the challenges
with a strong financial position*

Nearly 18,000 public high schools are ranked
Roughly Top 10%

#4 in Best Public High Schools in Lehigh Valley Area

PUBLIC SCHOOL

Southern Lehigh School District

Southern Lehigh Senior High School

A Overall Grade • Public • 9-12 • 📍 Center Valley, PA • ★★★★★☆ 317

#4 in Best Public High Schools in Lehigh Valley Area



Southern Lehigh Senior High School

5800 Main St, Center Valley, Pennsylvania | (610) 282-1421 | 🏆 Award Winning ⓘ

#1,901 in National Rankings

Identified Cost Impacts

2026-2027 Budget

Co\$t Drivers in this budget cycle



- Health Benefits increase – 17.75% or \$1.2M, including Dental rate increase of 4.5%
- Pension Payments – 33.5% rate down 1.2% over 80% (unfunded liability)
- Salary increases that avg. 3.6% SLEA agreement.
- Additional Staff for Full-Day Kindergarten
- Transportation Increases (New routes & Normans bid FY 2025)

ACT 1 Index

Pass a resolution to stay
at or below the Act 1
Index of 3.5%



Resolution adopted
Nov 24, 2025



Proposed
Final (May)
Final
Budget (June)

To get there, we start by
Reviewing appropriations

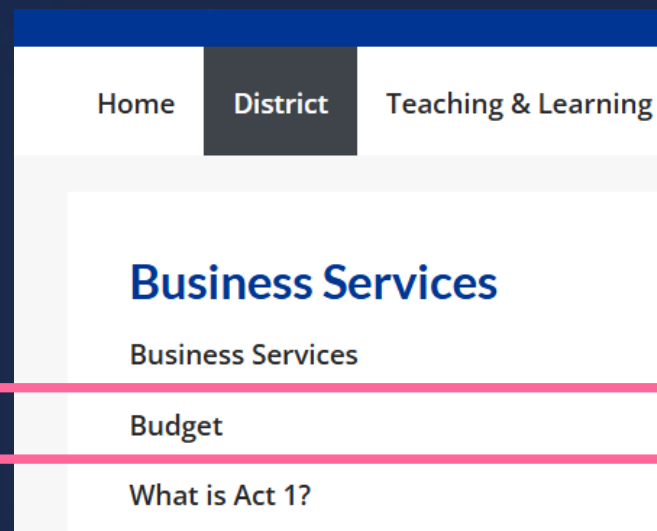


Our charge is to stay within the ACT 1
Index while continuing to deliver
quality educational programming

Budget Timeline – online Business Services



www.slsd.org



BUDGET CALENDAR

Louis J. Pepe, MBA, SFO
Director of Business Svc's

Shannon Williams
Asst. Dir. Of Business & Finance

Date(s)	Action	Responsibility
November 19, 2025	School budget templates, including Prior Year budget numbers and instructions provided to principals and administrators.	Business Office
November 19 – December 18, 2025	Schools review educational plans and use them to inform budget development.	Schools
November 24, 2025 6:30 pm	BOARD OF EDUCATION MEETING ACT I Index - Resolution to NOT raise taxes for support of the school budget for fiscal year 2026-2027 by more than the index: <ul style="list-style-type: none"> ➤ 2026-2027 index is 3.5% ➤ Calculated by PDE for the Commonwealth of Pennsylvania 	Board
December 16, 2025	Executive Administration Meeting: Review questions attributed to the Budget	Cabinet
December 19, 2025	All budget templates are due in the Business Office.	Schools
January 12-23, 2026	Individual Administrative Reviews with Mr. Pepe and Ms. Williams	Administration
January 26, 2026 PRESENTATION	BOARD OF EDUCATION MEETING The Director of Business Services will discuss the proposed 2026-2027 budgets for: <ul style="list-style-type: none"> ➤ CLIU 21 and LCCC; and ➤ Provide an update on the SLSD FY 2027 Budget Process and 	Board/Administration

Additional Areas that impact Budget Expenditures



LCCC \$63.6M BUDGET

LCCC Budget

\$1,034,462 or 1.7% increase

The combined School District sponsorship for operations and capital will remain the same at \$6,186,337.

\$274K – our portion

SLSD (10,456) -3.7%



LCTI \$ TBD

Total Member District
Share with Debt Service
\$TBD

\$ – our portion



CLIU 21 \$1.8M BUDGET

IU21 Budget

\$60,396 or 3.5% increase

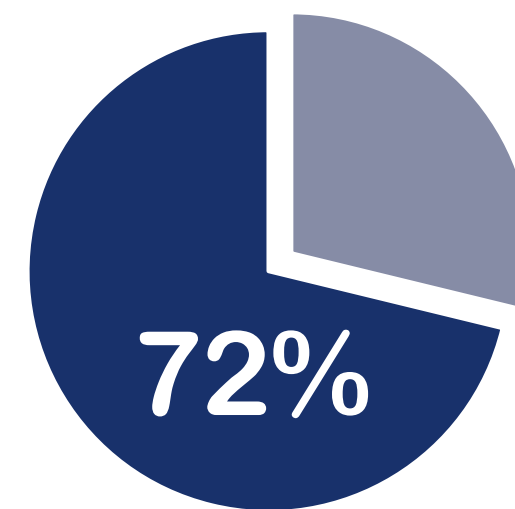
Combined District Contribution
amount \$819,040

\$67.6K – our portion

SLSD (2,293) -1.7%



Expenditures \$1,034,462 increase



Salaries & benefits

- Salaries and wages including fringe benefits account for 72% of expenditures (up from 70.2% last year)
- Fringe benefits - **Medical/Rx premiums** are budgeted to increase **by 21%**. *[All districts in the Lehigh Valley HBC*]*
- Utilization of \$9M in Reserves to cover Capital Projects including *HVAC (AHU, controls); ARC Classroom Renovations; Planned Maintenance; Parking Lots/Roadway Refurbishing, and more.*

****HBC increase reduced to 17.5% as of 1/24/26***

Lehigh Carbon Community College
Operating Revenue Budget Summary
Fiscal Year 2026-2027

<u>Revenue Source</u>	<u>Fiscal Year 2025-2026 Adopted</u>	<u>% of Total Budget</u>		<u>Fiscal Year 2026-2027 Proposed</u>	<u>% of Total Budget</u>
Tuition and Fees - Credit	\$ 21,266,441	44.5%		\$ 21,551,791	45.2%
Tuition and Fees - Noncredit	3,178,500	6.6%		2,751,500	5.8%
Sponsor Appropriation	4,664,959	9.8%		4,664,959	9.8%
State Appropriation	15,974,564	33.4%		15,975,747	33.5%
Miscellaneous Income	2,715,000	5.7%		2,735,500	5.7%
Total	<u>\$ 47,799,464</u>	<u>100.0%</u>		<u>\$ 47,679,497</u>	<u>100.0%</u>

Consistent with prior four years
averaging 10%

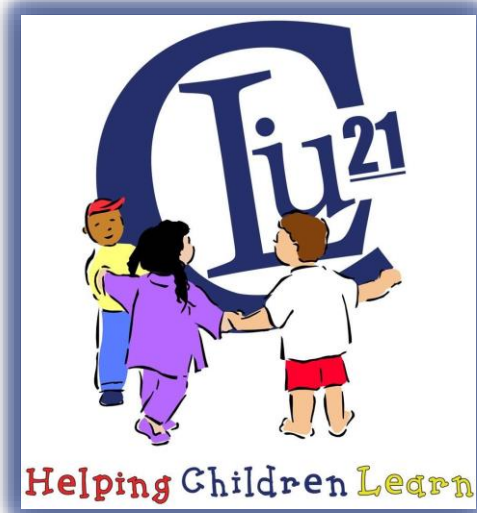
Lehigh Carbon Community College

Total Sponsor Appropriation for All Budgets

Fiscal Year 2026-2027

District	Operating Budget				Debt Service / Leases and Capital Budget				Budgeted Total		Budgeted Total		%
	2025-2026	2026-2027	Change		2025-2026	2026-2027	Change		2025-2026	2026-2027	Change	Change	
Allentown	\$ 1,385,684	\$ 1,409,962	\$ 24,278	1.8%	\$ 235,879	\$ 238,645	\$ 2,766	1.2%	\$ 1,621,563	\$ 1,648,607	\$ 27,044	1.7%	
Catasauqua Area	\$ 118,201	\$ 116,321	(1,880)	-1.6%	\$ 44,020	\$ 54,418	10,398	23.6%	162,221	170,739	8,518	5.3%	
East Penn	\$ 642,659	\$ 653,789	11,130	1.7%	\$ 262,349	\$ 254,198	(8,151)	-3.1%	905,008	907,987	2,979	0.3%	
Jim Thorpe Area	\$ 142,099	\$ 132,382	(9,717)	-6.8%	\$ 71,584	\$ 74,153	2,569	3.6%	213,683	206,535	(7,148)	-3.3%	
Lehighton Area	\$ 187,503	\$ 183,090	(4,413)	-2.4%	\$ 45,247	\$ 43,522	(1,725)	-3.8%	232,750	226,612	(6,138)	-2.6%	
Northern Lehigh	\$ 133,091	\$ 136,833	3,742	2.8%	\$ 26,749	\$ 31,090	4,341	16.2%	159,840	167,923	8,083	5.1%	
Northwestern Lehigh	\$ 155,884	\$ 154,447	(1,437)	-0.9%	\$ 71,010	\$ 71,354	344	0.5%	226,894	225,801	(1,093)	-0.5%	
Palmerton Area	\$ 145,038	\$ 138,964	(6,074)	-4.2%	\$ 36,802	\$ 36,040	(762)	-2.1%	181,840	175,004	(6,836)	-3.8%	
Panther Valley	\$ 116,176	\$ 113,414	(2,762)	-2.4%	\$ 12,404	\$ 14,257	1,853	14.9%	128,580	127,671	(909)	-0.7%	
Parkland	\$ 903,505	\$ 897,650	(5,855)	-0.6%	\$ 432,402	\$ 428,858	(3,544)	-0.8%	1,335,907	1,326,508	(9,399)	-0.7%	
Salisbury Township	\$ 131,986	\$ 136,058	4,072	3.1%	\$ 53,800	\$ 51,931	(1,869)	-3.5%	185,786	187,989	2,203	1.2%	
Southern Lehigh	\$ 157,172	\$ 149,997	(7,175)	-4.6%	\$ 128,225	\$ 124,944	(3,281)	-2.6%	285,397	274,941	(10,456)	-3.7%	
Whitehall-Coplay	\$ 445,961	\$ 442,052	(3,909)	-0.9%	\$ 100,907	\$ 97,968	(2,939)	-2.9%	546,868	540,020	(6,848)	-1.3%	
Total Sponsor Allocation	\$ 4,664,959	\$ 4,664,959	\$ -	0.0%	\$ 1,521,378	\$ 1,521,378	\$ -	0.0%	\$ 6,186,337	\$ 6,186,337	\$ -	0.0%	

In accordance with the operating agreement distribution of costs model



Expenditures

\$ 60,396 increase

compared to last year of \$33,245

- Fringe benefits - Medical/Rx premiums are budgeted to increase by 19.8%

*HBC increase reduced to 17.5% as of 1/24/26

- Salaries up 3.25% Teachers, 3.2% ACT 93 Administrators
- PSERS rate – 33.5%

District Contribution – \$819,040
\$0 change from current budget

Carbon Lehigh Intermediate Unit #21 General Operating Budget

Comparative Schedule of School District Contribution

	<u>2025-2026</u> <u>Estimated</u> <u>Contribution</u> <u>November 2024</u>	<u>2026-2027</u> <u>Estimated</u> <u>Contribution</u> <u>November 2025</u>	<u>Estimated</u> <u>Change</u>
Allentown	124,186	\$ 124,543	\$ 357
Catasauqua	24,810	\$ 27,521	\$ 2,711
East Penn	143,432	\$ 138,501	\$ (4,931)
Jim Thorpe	37,991	\$ 37,792	\$ (199)
Lehighton	24,056	\$ 23,888	\$ (168)
Northern Lehigh	17,554	\$ 16,855	\$ (699)
Northwestern Lehigh	41,784	\$ 37,488	\$ (4,296)
Palmerton	19,941	\$ 19,432	\$ (509)
Panther Valley	8,019	\$ 7,505	\$ (514)
Parkland	213,269	\$ 228,307	\$ 15,038
Salisbury	30,054	\$ 28,404	\$ (1,650)
Southern Lehigh	69,990	\$ 67,697	\$ (2,293)
Weatherly	7,968	\$ 7,834	\$ (134)
Whitehall-Coplay	55,986	\$ 53,273	\$ (2,713)
Total	\$ 819,040	\$ 819,040	\$ -

Estimated
contribution based
on 2024
Market Value
Aid Ratio
\$3,581,803,994 and
weighted Average
Daily Membership



Questions