



# NORTHERN LEHIGH SCHOOL • DISTRICT

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



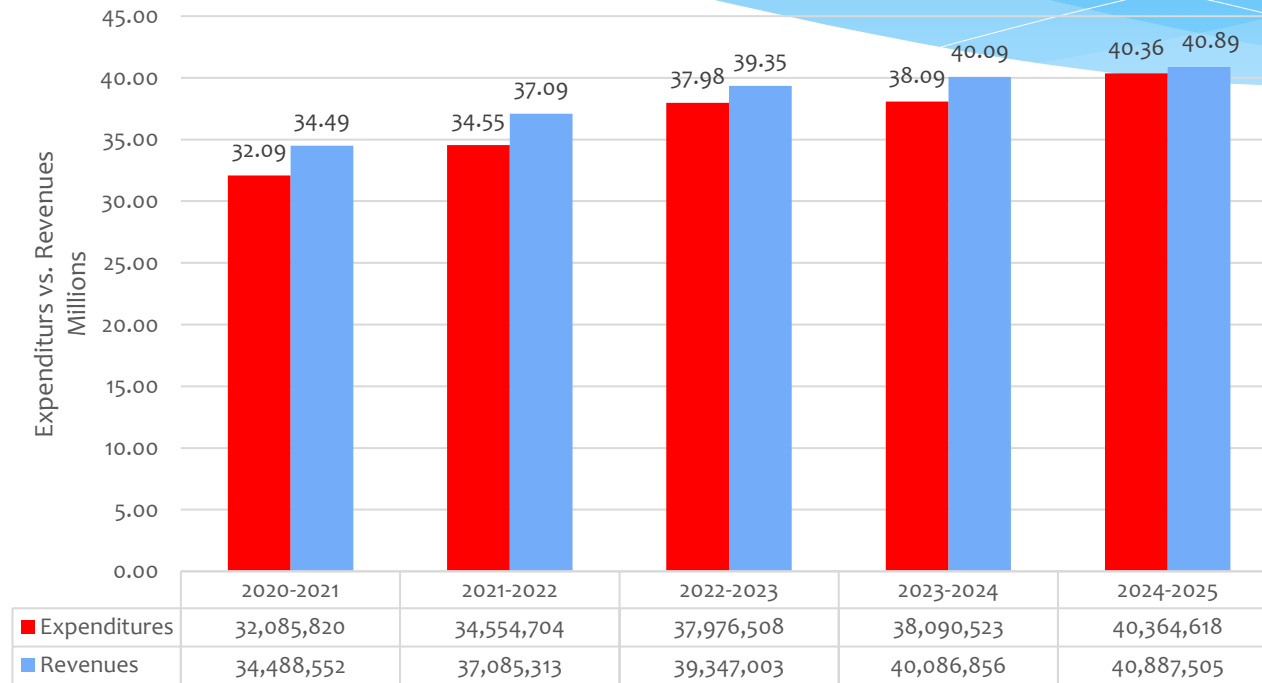
## Proposed Preliminary Budget for 2026-2027 School Year and District Long Term Planning

Board Meeting

April 13, 2026

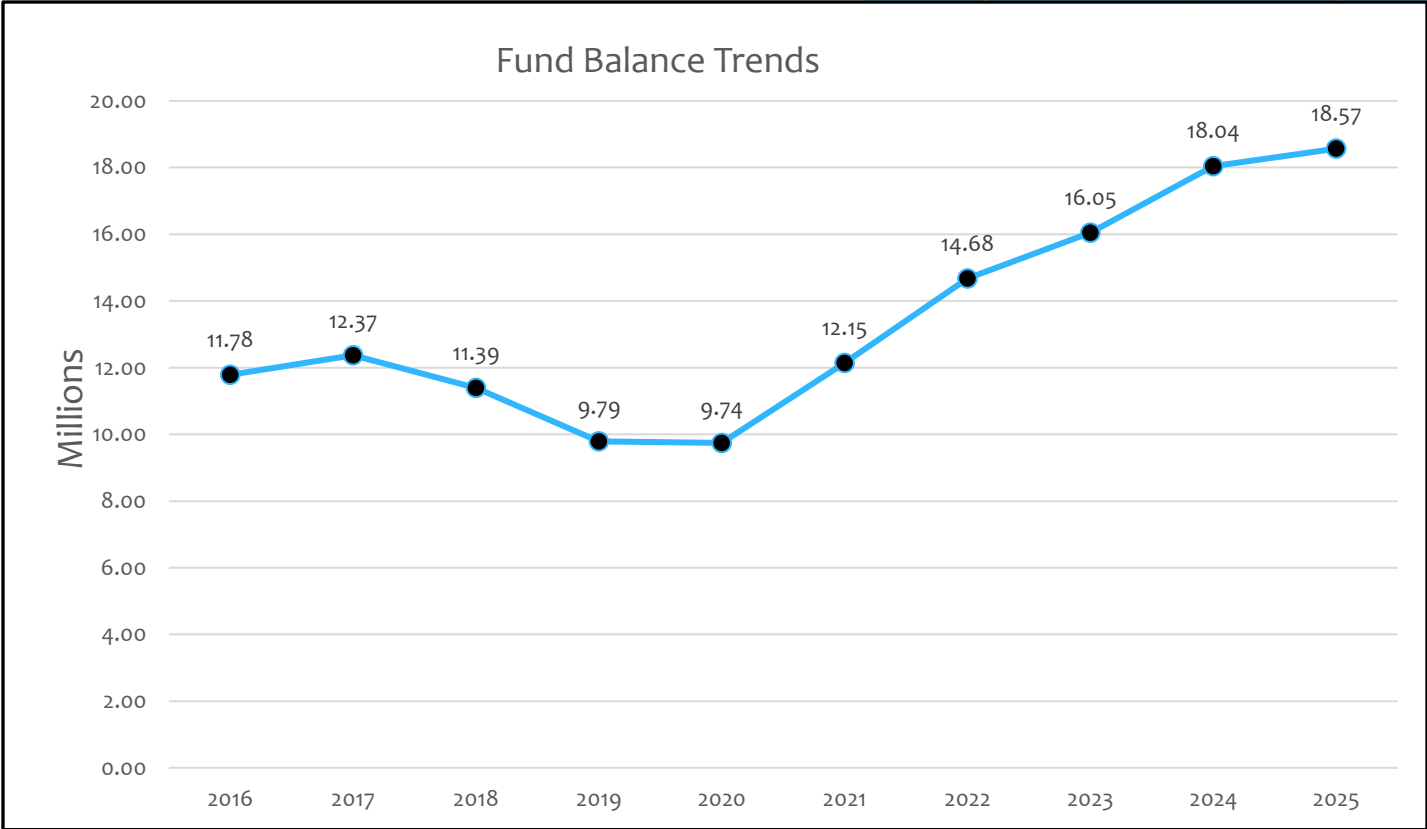
Living, Learning, and Leading to Make Every Story Better

# Prior Year's Composite Data



- \* Agreed to not raise taxes over the adjusted index of 4.8% per approved Act I Resolution in December.
- \* Did not apply for exceptions (Special Education, PSERS)

# Fund Balance



# 2026-2027

## Budget Increased Expenditures

### COST DRIVERS 26/27 SY

- \* Salaries & Benefits (Healthcare & PSERS)
- \* CLIU Specialized Education Costs
- \* Business Position at High School
- \* Charter/Cyber Charter Schools – Status Quo
- \* Maintenance Repair Costs & Utilities
- \* Outplacements

# Projected 2026-2027 Budget Revenue Streams

## Real Estate Tax Collection Rate

- \* 94.75% for 26/27 SY
- \* Passed a resolution not raising taxes over our adjusted index of 4.8%

## Federal Revenues – Budget at 2025-2026 amounts

## State Revenues – Budgeted at a slight increase over the 2025-2026 amounts

- Basic Education Funding – Added \$115,000 in additional revenues
- Special Education Funding – Added \$40,000 in additional revenues
- Ready To Learn Block Grant new base \$372,616, additional Adequacy Funding of \$25,992 and tax equity funding have all been added to the current budget

# Long Term Fund Balance Expenditures (Not Capital Reserve)

Item	Year	Cost	Notes
NLHS Water Softener & Filtration	2026-2027	\$75,000	Fund Balance Expense
SES Furniture Replacement	2026-2027	\$55,000	Fund Balance Expense
NLHS Furniture Replacement	2026-2027	\$45,000	Fund Balance Expense
Math Curriculum K-6	2026-2027	\$383,600	Fund Balance Expense
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
Math Curriculum 7-8	2027-2028	\$75,000	Fund Balance Expense
Peters Furniture Replacement	2028-2029	\$55,000	Fund Balance Expense

# ESTIMATED FUND BALANCE

## June 30, 2026

<b>Beginning Fund Balance July 1, 2025:</b>	\$18,566,762
<b>Ending Fund Balance June 30, 2026 (\$1,260,000 &amp; \$3,000,000 CR):</b>	<b>\$14,306,762</b>
<b>Committed Fund Balance:</b>	
Health	\$ 730,369
PSERS	<u>919,000</u>
<b>Total Committed:</b>	<b>\$1,449,369</b>
<b>Assigned Fund Balance:</b>	
<b>Assigned Current Year Usage (2026-2027):</b>	
<b>One Time Purchases:</b>	
<b>HS Water Softener (\$75,000), SE &amp; HS Furniture (\$55,000 &amp; \$45,000),</b>	
<b>Bonds (\$200,00), Math Program (\$383,597) &amp; MS CKLA (\$7,553)</b>	<b>\$ 766,150</b>
<b>PSERS (\$81,000), Healthcare Increases (\$412,000)</b>	<b>493,000</b>
Technology (Includes 1:1 Insurance):	1,445,311
Replacement Equipment:	1,734,518
Long Range Maintenance:	2,184,017
Future Dept Service Payments:	2,000,000
Future Curriculum Needs	358,850
Capital Reserve Fund Transfer	1,000,000
Student Activity Accounts	
Slatington Elementary	12,005
Peters Elementary	29,769
Refreshment Stand:	<u>29,613</u>
<b>Total Assigned:</b>	<b>\$10,053,233</b>
<b>Unassigned Fund Balance:</b>	<b>\$ 2,472,506</b>
<b>Restricted Fund Balance:</b>	
High School Scholarship Acct:	173,297
Slatington Elementary Restricted:	<u>1,142</u>
<b>Total Restricted Fund Balance:</b>	<b>\$174,440</b>
<b>Non-Spendable:</b>	<u>\$157,214</u>
<b>Total Fund Balance:</b>	<b>\$14,306,762</b>

# DISTRICT EXPENSES vs. REVENUES

## EXPENSES

2026-2027

100	Salaries	17,260,858
200	Other Benefits	1,708,550
211	Medical	4,062,453
230	Retirement	5,552,603
300	Contracted Services	2,740,607
400	Purchased Property	764,144
500	Other Contracted Services	7,430,156
600	Supplies/Books/Utilities	1,880,736
700	Property	178,290
800	Other Objects	887,418
900	Principal Repayment/Transfers	<u>1,752,985</u>
<b>TOTAL EXPENSES</b>		<b>44,218,800</b>

## REVENUES

2026-2027

LOCAL	22,639,653
STATE	17,544,936
FEDERAL	619,000
OTHER	140,000
<b><i>FUND BALANCE – 1X Prchs, PSERS &amp; Medical</i></b>	<b><u>1,259,150</u></b>
<b>TOTAL REVENUES</b>	<b>42,202,739</b>

**BUDGET SHORTFALL: \$2,016,061**

**\*Local Revenues currently do not include a tax increase**

# The (Tentative) Big Picture

Expenses:	\$44,218,800
Revenues (w/o Fund Balance Use):	(40,943,589)
Budget Shortfall:	\$ 3,275,211

<b>BUDGET SHORTFALL:</b>	<b>\$3,275,211</b>
Fund Balance 1X Purchases, PSERS & Healthcare:	<u>(1,259,150)</u>
<b>Remaining Shortfall after use of FB:</b>	<b>\$2,016,061</b>

Estimated ending fund balance for 2026-2027, if the district utilizes \$1,259,150 for 1X purchases, Debt Payments, PSERS & Healthcare increases, would be \$13,047,612 and if fund balance was used to pay for remaining budget shortfall which represents reoccurring costs, the estimated ending fund balance would be \$11,031,551.

# 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%	2.50%
2026-2027	4.8% Adjusted	?

# Impact on Property Owners

We can not increase taxes over 4.8% (adjusted index amount per Board Resolution in December 2025) which is \$859,926 in additional revenue.

Annual tax increase on a median assessed home at 4.8%:

- Lehigh County
  - Lehigh County (151,850) = \$111.00 (\$9.25/month, \$2.13/week, \$0.31/day)
- Northampton County
  - Northampton County (46,200) = \$181.00 (\$15.00/month, \$3.48/week, \$.50/day)

Value of a Mill is \$670,126

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

# Tax Revenue Projections

FB Utilization (1X Purchases)	\$1,259,150
Addl. Shortage:	<u>2,016,061</u>
Total Shortage:	\$3,275,211

## Tax Revenue Based on 4.8% of Millage Rate Increase:

4.8% (NC)	2.824% (LC)	859,926
4.75% (NC)	2.775% (LC)	850,196
4.5% (NC)	2.53% (LC)	801,586
4.25% (NC)	2.284% (LC)	752,946
4% (NC)	2.039% (LC)	704,336
3.75% (NC)	1.794% (LC)	655,726
3.5% (NC)	1.548% (LC)	607,076
3.25% (NC)	1.303% (LC)	558,466

# Administrative Recommendations and Direction Sought from the School Board

- \* Utilization of Fund Balance for One-time Purchases, Debt Service Payment, and PERS and Health Care Increases
- \* Pass a 4.8% PRELIMINARY tax increase in conjunction with utilization of fund balance to close the gap in addition to generating some revenue for upcoming years for capital improvements
- \* Administrative Recommended Additional Position:
  - \* NLHS Business Teacher

# QUESTIONS & COMMENTS from School Board Members

