

# Southern Lehigh School District

**LEARNING • SERVING • LEADING** One Interaction at a Time



## **DRAFT Annual School Budget 2025-2026** **Update – April 28, 2025**

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

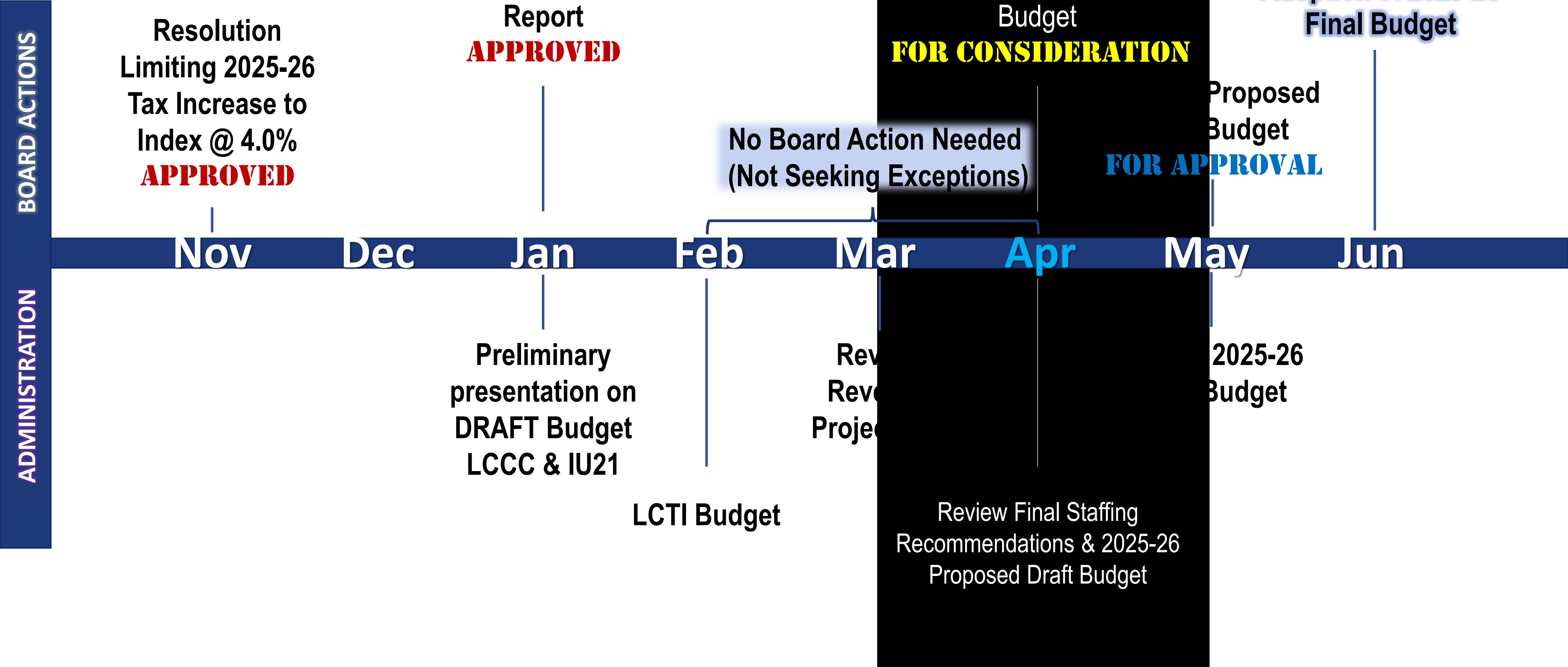
# Guiding Principles for Budget Development

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- Maintain the integrity of our programs.
- Ensure equity among schools.
- Continue to implement zero based budgeting.
- All allocations are made on a priority basis that impacts educational programming most.
- Implement strategies to continue to meet district focus areas within the ACT1 Tax Cap.

# 2024-2025 Proposed Budget Timeline



# Budget Highlights 2025-2026

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- Maintains exceptional programs in academics, athletics, and arts
- Health benefits - Medical/Rx premiums increase by 9.75% - \$355,730
- Salaries up 3.7%, SLEA (teachers) or \$1.4M (Year 2 of CBA)
- ACT 93 Administrators – TBD; PSERS rate – 34.72%
- Staffing Increase (8 New Positions) – \$959,888



# Budget Highlights 2025-2026

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- Athletics up \$43,621 - including:
  - Girls Wrestling \$10,320 New Program Startup w/supplies
  - Uniforms \$13K (Field Hockey, Boys & Girls Tennis)
  - Transportation Increase \$8,900 (Boys Volleyball, Swim & Boys Soccer)
- Curriculum up \$654,141 – Math & Science [6-year Investment]

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We are still below the allowable increase under ACT 1 CAP of 4%

# Act 1 index – How it works:

The **maximum percentage increase** in the school district millage rate is equal to the base index or an adjusted index. (depending upon the district's aid ratio)

The base index is calculated by averaging the percentage increase in the Pennsylvania **statewide average weekly wage (SAWW)** and the **employment cost index (ECI)** for schools. [ELEMENTARY/SECONDARY]

School districts with an aid ratio less than 40% utilize the base index.

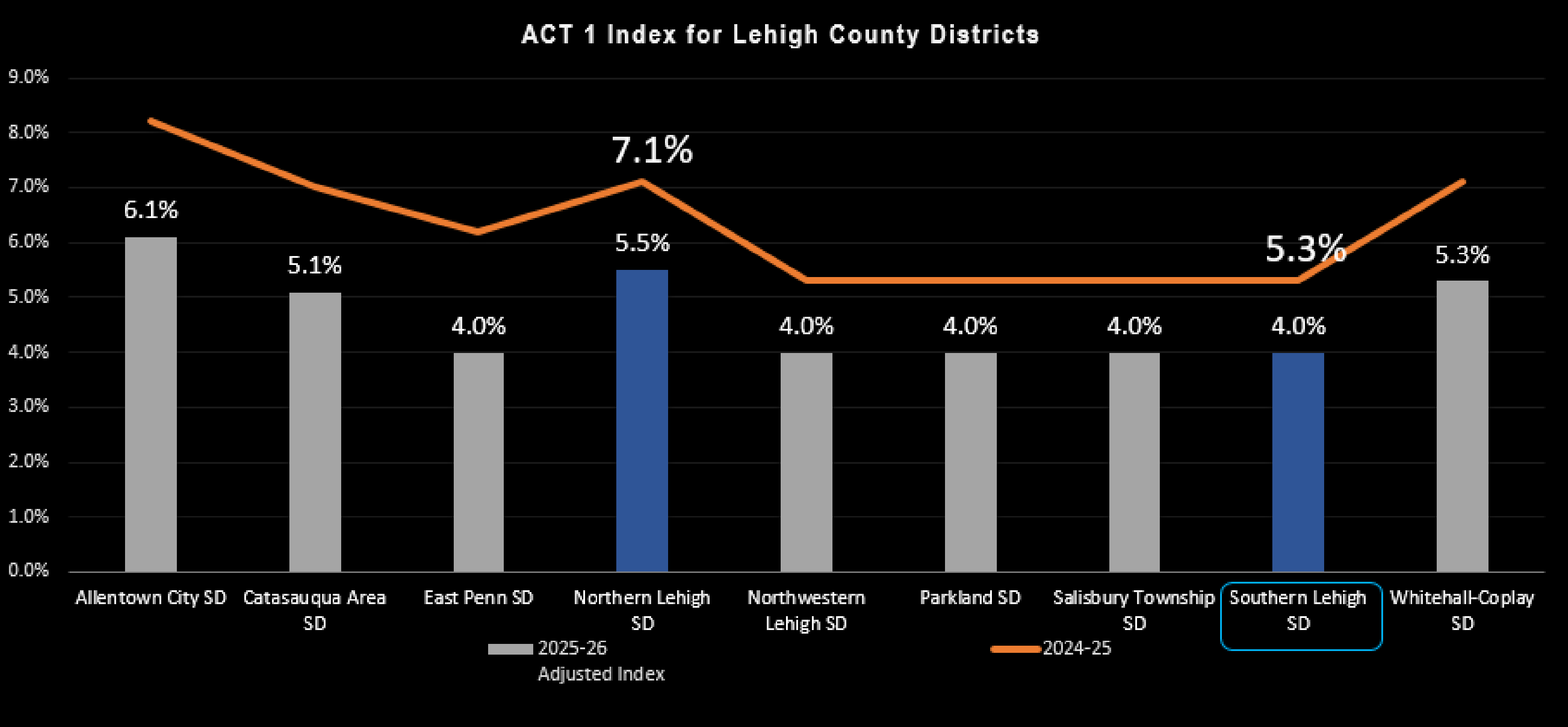
All other districts utilize an adjusted index.

[COMPUTED BY MULTIPLYING THE BASE INDEX BY THE SUM OF 0.75 AND THE DISTRICT'S AID RATIO].

17.8%



# ACT 1 Index - Comparative Look: 2025-26 Lehigh County



School districts with a market value/personal income aid ratio (MV/PI AR) greater than 0.4000, the value of their index is adjusted upward

# What is the recommendation for the 2025-2026 school budget?

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+ 2.63%

**45.4 cent Increase  
in Millage Rate**

**New Rate at 0.017713**

**Maintains Balanced Budget**

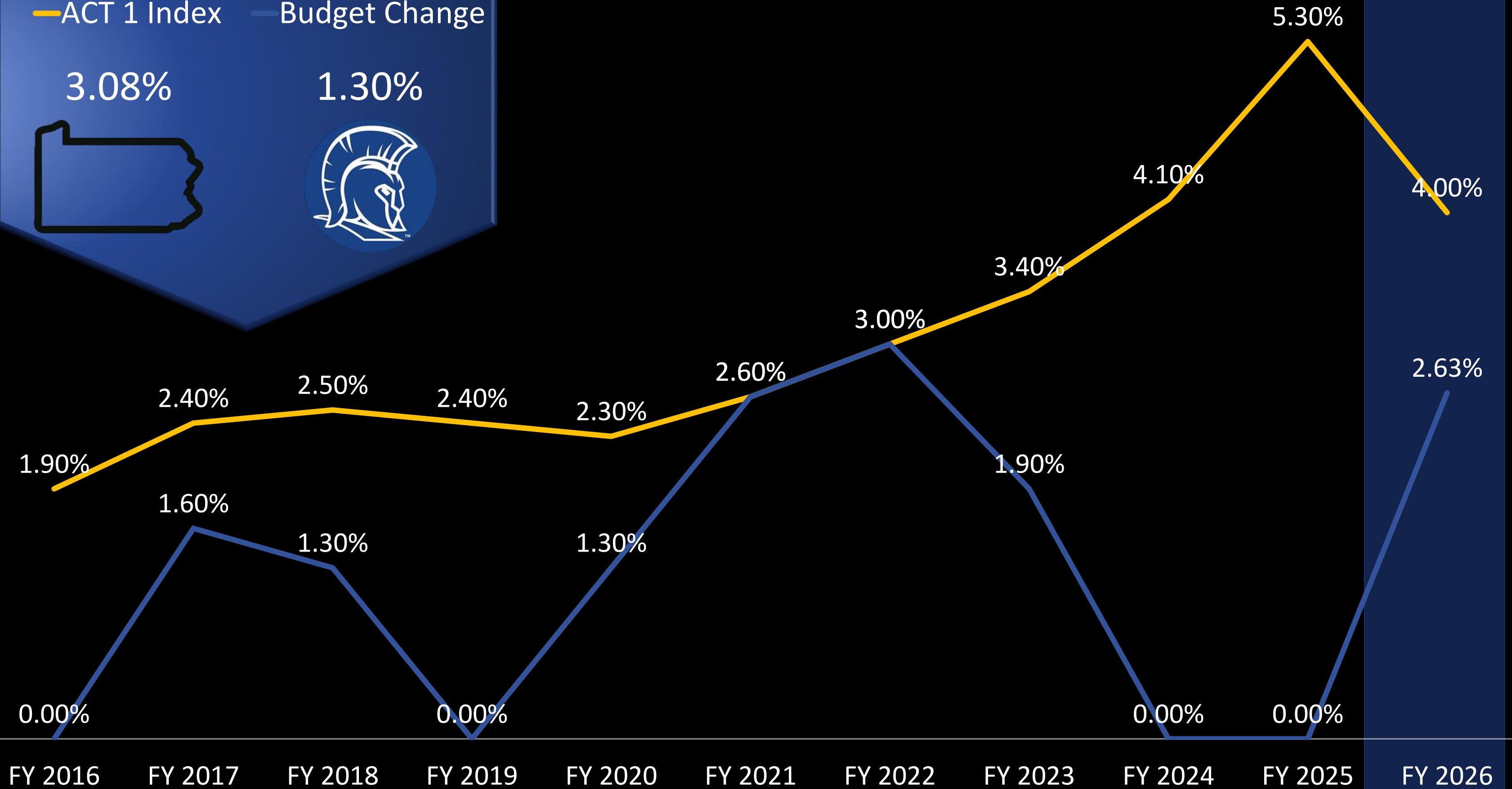


# 11 Year Average

— ACT 1 Index — Budget Change

3.08%

1.30%



# Current Tax Base “positive trend” continues to hold

**Up 1.6% from 2023 -  
\$98.5M Gain  
Addition of 157 parcels**

RUN DATE 01/27/2025

SCHOOL DISTRICTS MONTHLY TAX TOTALS

SCHOOL DISTRICT	TAXABLE PARCELS	TAXABLE ASSESSED	EXEMPT PARCELS	EXEMPT ASSESSED	PREFERENTIAL ASSESSED	ABATED ASSESSED	TOTAL PARCELS	TOTAL ASSESSED
ALLENTOWN	32,585	5,252,478,600	1,290	1,662,899,300	19,900		33,875	6,915,397,800
BETHLEHEM	7,768	1,692,974,700	240	540,702,400			8,008	2,233,677,100
SOUTHERN LEHIGH	9,785	3,011,922,100	343	330,714,300	108,420,800		10,128	3,451,057,200
PARKLAND	25,816	9,208,682,900	753	768,381,500	164,268,500		26,569	10,141,332,900
SALISBURY	5,641	1,315,683,200	205	452,744,400	7,712,700		5,846	1,776,140,300
WHITEHALL-COPLAY	10,675	2,428,683,500	372	244,814,200	7,738,500		11,047	2,681,236,200
COUNTY TOTALS	130,582	32,159,301,900	4,600	4,948,371,300	820,420,200		135,182	37,928,093,400

# How do we stack up among peer districts?

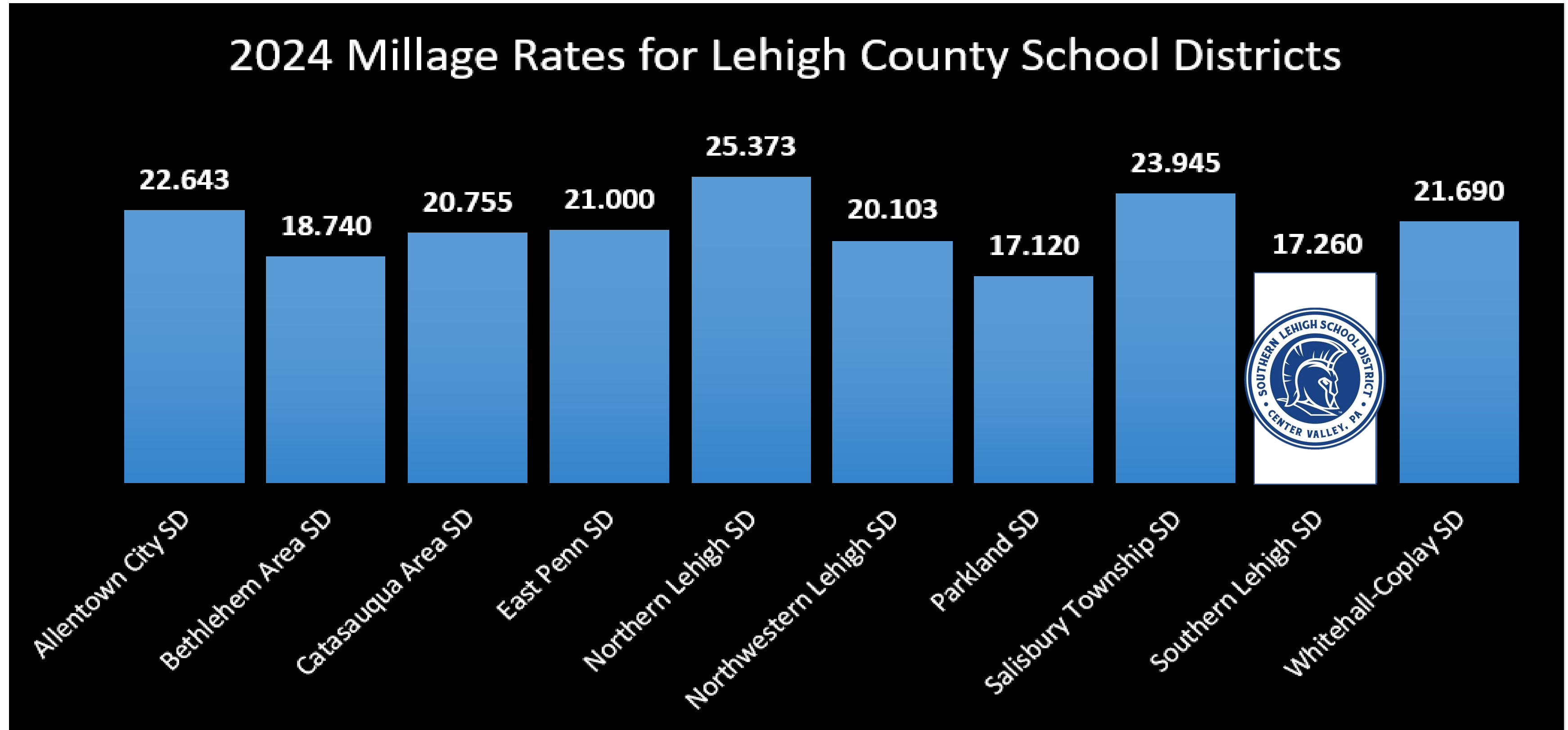
District	Assessed Value Change 2015-2025	Millage Rate Change 2015-2025
Allentown City SD	9%	23.5%
Bethlehem Area SD	4%	18.8%
Catasauqua Area SD	13%	27.3%
East Penn SD	15%	26.0%
Northern Lehigh SD	2%	22.2%
Northwestern Lehigh SD	17%	25.9%
Parkland SD	20%	21.5%
Salisbury Township SD	-1%	36.9%
Southern Lehigh SD	20%	12.3%
Whitehall-Coplay SD	-1%	40.7%



Change in Assessed Value  
past 11 years

Change in Millage Rate  
past 11 years

# How do we stack up among peer districts?



Source: Lehigh County Assessment Records – MOVEitTransfer System



# A closer look at Expenditures and Zero Based Budgeting



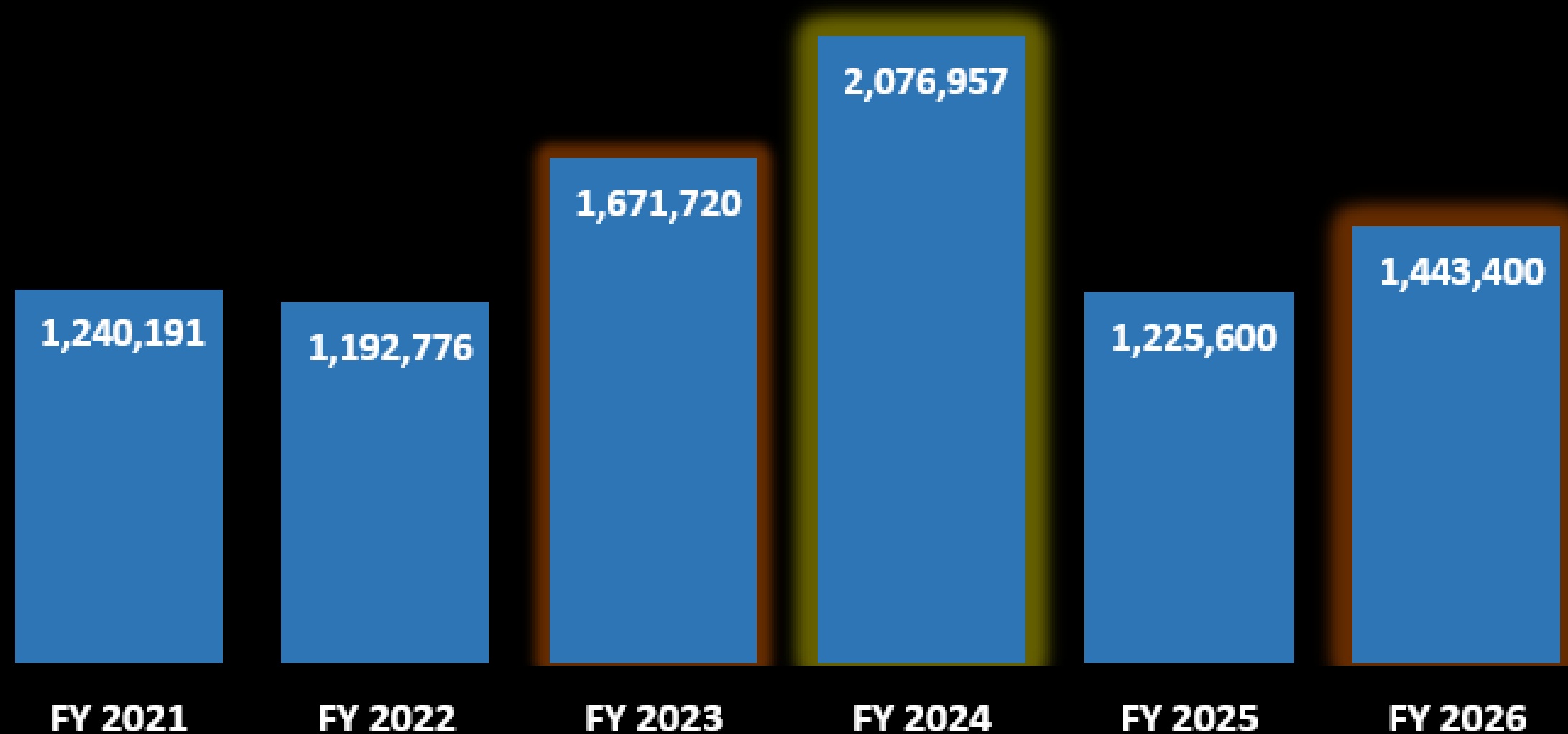
ZBB ensures the budget matches our needs in each category of spending each year as opposed to simply budgeting the same amount every year.

# \$1.4M Investments in Technology

*Zero-Based Budgeting in Action*



## Technology Investment past 5 Years



## Primary Investments:

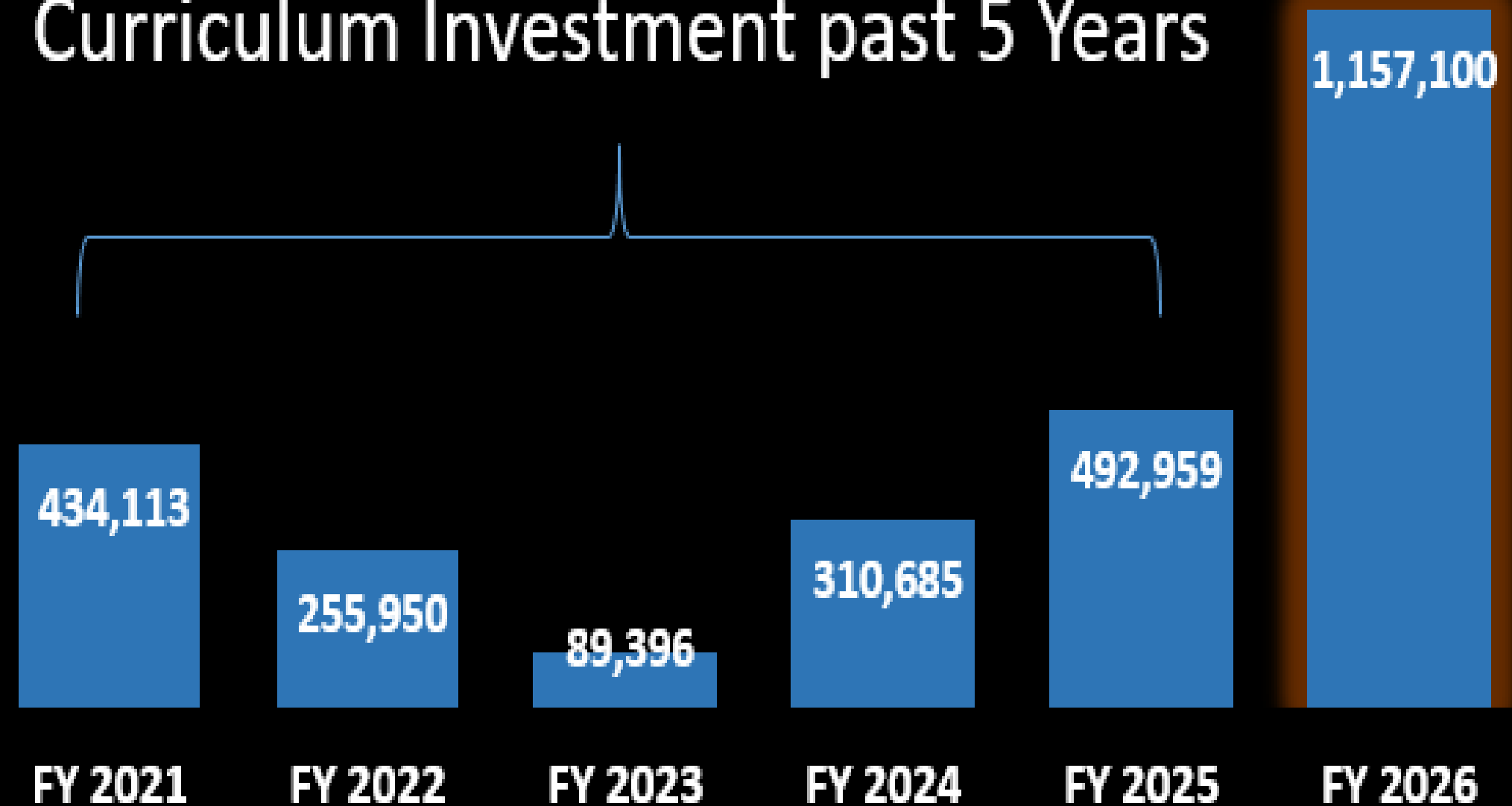
- TECHN MAINT/REP UPGRADE SYSTEM
- Software contracts - Blackboard (FINAL SITE), JAMF, Microsoft School Agreement, hard drives, monitors, peripherals, iPad cases
- Data Center upgrades with virtual servers FY23/FY24
- TECH PLAN LEASES [PRINCIPAL/INTEREST] FY24
- Apple Leases - Student devices FY23/FY24/FY25
- iPads, Chromebooks for Incoming 4th graders FY23/FY24
- Secondary software responsibility - Curriculum (IXL, eSpark, Adobe, Ren, Newsia, Lexia) plus Student Information

# \$1.1M Investments in Curriculum

*Zero-Based Budgeting in Action*



## Curriculum Investment past 5 Years



### Investments:

- In line with Curriculum Cycles
- Based on Need in each Fiscal Year:
  - PDE State Standards
  - Assessment tools – IXL
- Change based on life cycle maturity/decline
- Support Materials and Consumables
- Multi-Year Investment to achieve savings on long-term commitments

# Strategic Investment in Curriculum Resources

## Math & Science – FY2026 – FY2032 (Six Year)



- CURR INSTR MATH SUPPLIES - \$170K or \$28,333 per year
  - CURR ELEM MATH BOOKS - \$170K or \$28,333 per year
  - CURR SOFTW/LIC FEES-MATH- \$170K or \$28,333 per year
- 
- \$510K or \$85,000 per year

This marks the end of a prior 6-Year Math Cycle [FY2019] that was extended by 2 years [FY2024, FY2025]



# Strategic Investment in Curriculum Resources

## Math & Science – FY2026 – FY2032 (Six Year)



- CURR MS SCIENCE SUPPLIES - \$66K or \$11,000 per year
- CURR ELEM MATH BOOKS - \$33K or \$5,500 per year
- CURR MS INSTR SCIENCE - \$66K or \$11,000 per year
- CURR ELEM INSTR SCIENCE - \$33K or \$5,500 per year

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• \$198K or \$33,000 per year

This is a continuation of the new Science Curriculum, out to FY 2032

# Staffing to meet increased student needs—\$959,888




**District Wide - \$227,738**

**High School - \$244,050**

**IS School- \$366,075**

**K-6 - \$122,025**

 SOUTHERN LEHIGH	 SOUTHERN LEHIGH	 SOUTHERN LEHIGH	 SOUTHERN LEHIGH
All Schools	High School	IS	IS, HWES, LBES

- Special Education Speech K-12 - \$122,025  
[Salary \$75,000 Benefits \$47,025]
- SIS Coordinator - \$105,713  
[Salary \$62,500 Benefits \$43,213]
- Special Education Teacher HS - \$122,025  
[Salary \$75,000 Benefits \$47,025]
- Media Specialist HS - \$122,025  
[Salary \$75,000 Benefits \$47,025]
- Special Education Teacher IS - \$122,025  
[Salary \$75,000 Benefits \$47,025]
- School Counselor IS - \$122,025  
[Salary \$75,000 Benefits \$47,025]
- 2 Reg Education Teachers IS - \$244,050  
[Salary \$150,000 Benefits \$94,050]
- K-6 Special Education Teacher - \$122,025  
[Salary \$75,000 Benefits \$47,025]

BETTER B/  
Has allowed  
funding Capital  
HOLDIN



GETTING PRA  
to maintain tax lev  
serve the public  
HE HOLDIN

ICES AND  
ability while  
Project needs  
INDING

# In 2022 we spoke of the Need for Balanced Budgets

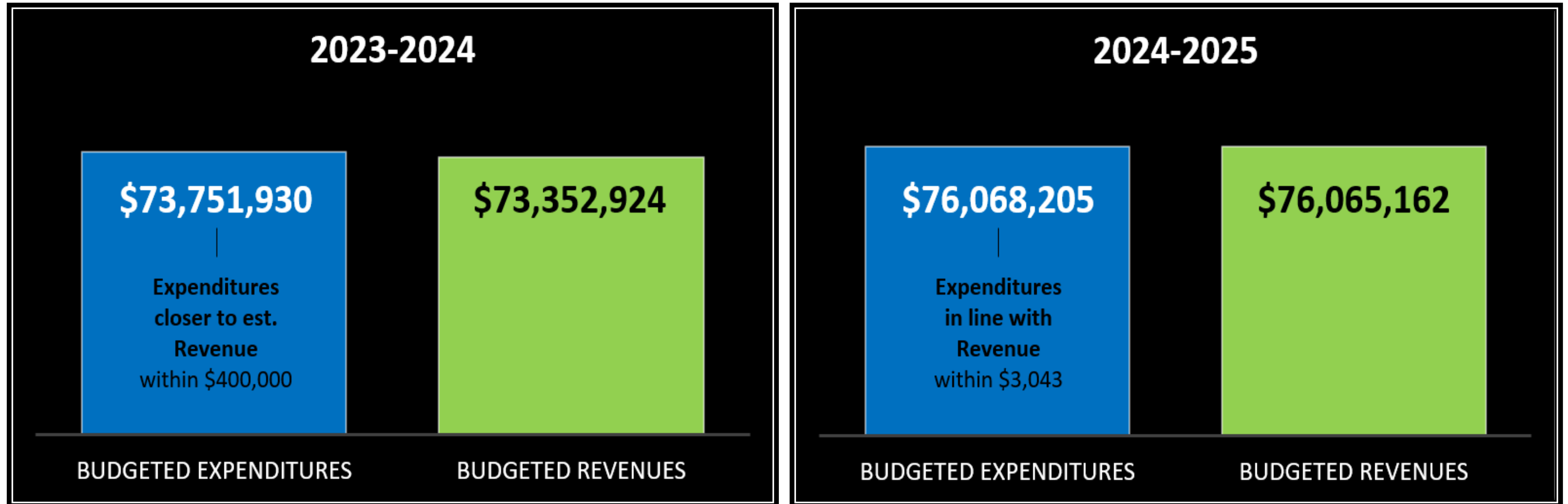
- Avoid depleting healthy fund balance
- Maintain Tax Levy Stability
- Ensure against artificially 'deflating' the true cost of the budget
- Guarding against future funding cliffs or drastic cuts that slash program and personnel





The Results ...

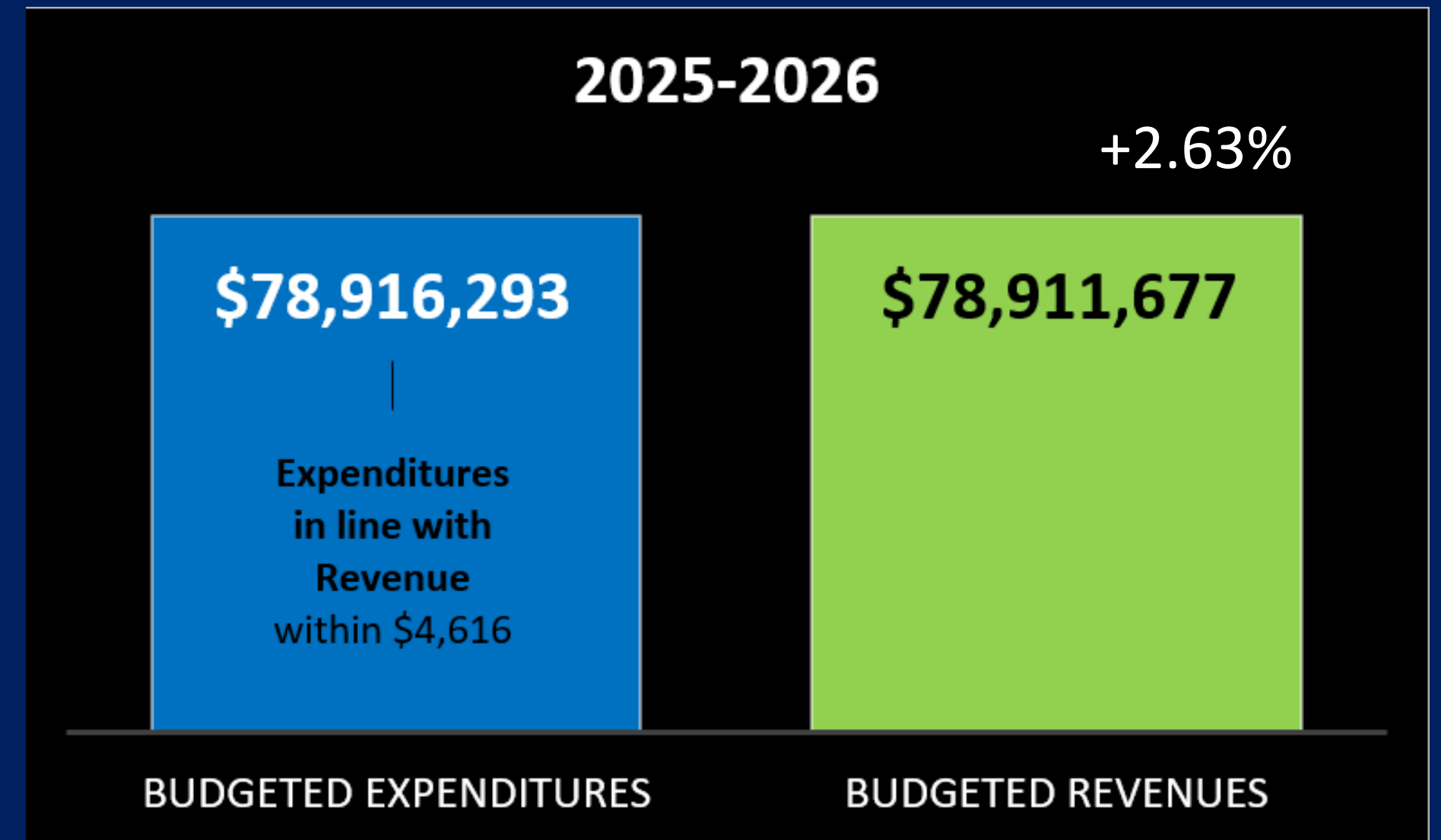
# Providing balanced budgets 2 years ahead of our goal set in 2022



*Balancing Budgets through Strategic Management*

# The 2025-2026 Budget

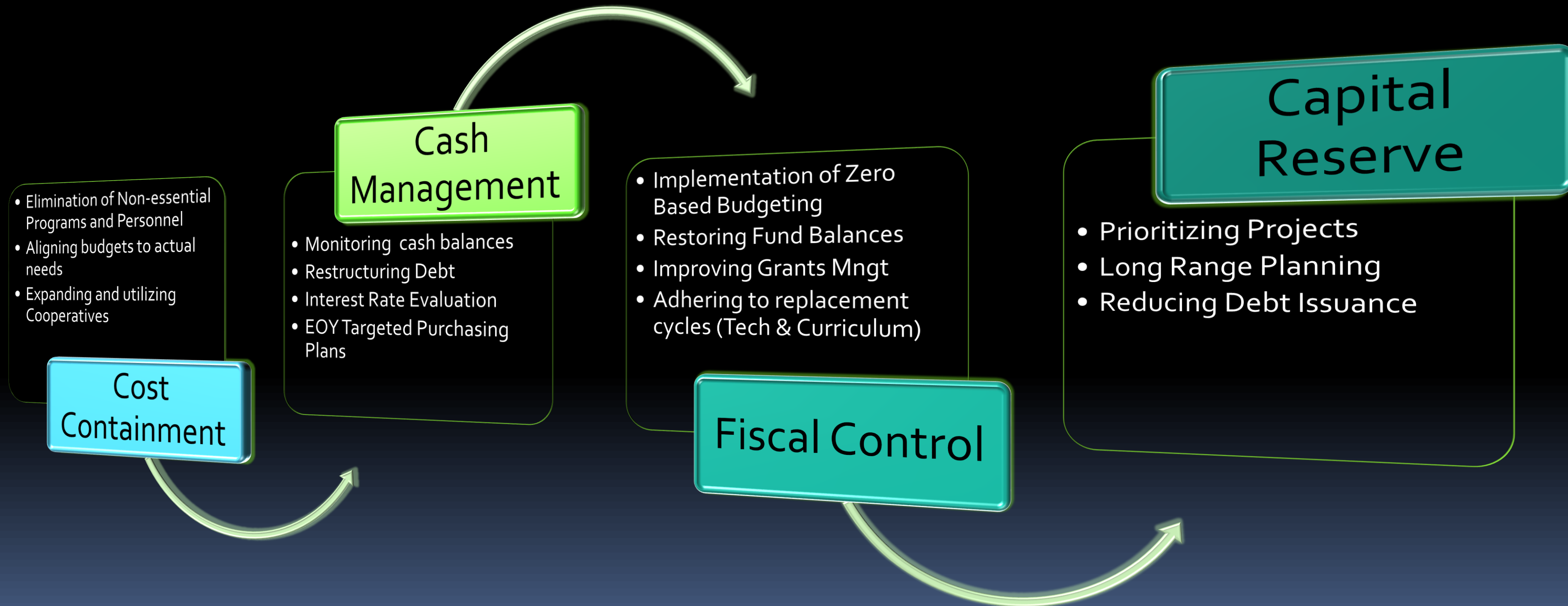
continues that promise  
by adjusting Revenues to  
meet the demands of  
Expenditures



*Balancing Budgets through Strategic Management*

# How did we get here?

Through a concerted effort in planning and program analysis at all levels





# PRELIMINARY DRAFT BUDGET – 2025-2026

RETURN		CURRENT	BUDGETED	PROJECTED	PROJECTED	PROJECTED
		2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Projected Excess/(Deficit)		-2,115	1,371,841	655,246	1,641,575	2,576,051
<b>TOTAL EXPENSES</b>		<b>76,068,205</b>	<b>78,916,293</b>	<b>80,809,574</b>	<b>82,946,249</b>	<b>85,054,615</b>
REVENUE @ Current mills	17.2595	76,066,091	77,544,453	80,154,327	81,304,675	82,478,564
Tax Increase 2025-26	0.454		1,367,225			
<b>TOTAL REVENUE COLLECTED</b>		<b>76,066,091</b>	<b>78,911,677</b>	<b>80,154,327</b>	<b>81,304,675</b>	<b>82,478,564</b>
% Increase in Revenues		-3.781%	3.741%	1.575%	1.435%	1.444%
Fund Balance Req. To Balance Budget		2,115	4,616	655,246	1,641,575	2,576,051
Ending Fund Balance		\$25,045,009	\$25,040,393	\$24,385,146	\$22,743,572	\$20,167,521
Ending Fund Balance as % of Expend.		32.9%	31.7%	30.2%	27.4%	23.7%
Current Mills	17.2595					
	2.63%					
Increase in millage	0.454		1,367,225			
New Millage for 2025-26	17.713					

## MANAGING FUND BALANCES MOVING FORWARD

# Questions

# Breakdown of FUND BALANCE \$26.3M as of 6/30/23

FUND BALANCES		
ASSIGNED	19,766,381	Retirement PSERS Increases1,500,000
		Other Post employment benefits1,937,980
		Health Insurance increases1,500,000
		Capital construction14,828,401
	23,966,381	

Now we are better positioned to meet the Facility Needs and future projects without over reliance on Bonding for Capital Needs

# Current Capital Projects Identified \$13.4M

Five Year Capital Improvement Plan – September 2023 presented by architect of record



## \$ 600k - Chiller Replacement

In Progress Summer 2025 completion

Chiller Replacement at Liberty Bell - \$600,000  
(2 - 150 Ton Units over 24 years old.)

## \$ 7.6M - Mechanical Upgrades

Phase II projected for 2026-2027

High School (Auditorium, 2001 DX Equipment Replacement, Chilled Water AHU Replacement, Classroom Unit Ventilator Replacement)

## \$ 100k - Sidewalk Replacement

In Progress Summer 2024 through KPN Bid

Sidewalk Replacement at High School - \$100,000  
(Steps included near Bus loop)

## \$ 2.1M - Roof Replacement

In Progress Summer 2025 completion

Roof Replacement at Liberty Bell – 23 years  
04/15/22 estimated at \$1.6M on 42,990 Sq. Ft.  
updated based on Roofing Per Sq. pricing

## \$ - Additional Projects TBD

Considering Scope, Cost Estimate and Timelines

MS Roof Repair/Replacement, HS Library Redesign, and other projects TBD