



Nazareth Area School District

PROPOSED FINAL BUDGET

APRIL 11, 2023

What is Proposed Final Budget?

- ▶ A proposed final budget is **NOT** the final budget. The proposed final budget is a state-required Act 1 step in the process. The proposed final budget is one of many components in the nearly year-round development process. The budget can and will be adjusted up to the final adoption tentatively scheduled for June 2023.
- ▶ Currently, this means that we are nearly 3 months remaining until the final budget passage. Many parts of the budget will change over that time.

PDE 2028 – What is this?

- ▶ PDE 2028 - is the state-required budget document that is completed, approved, and submitted to the PDE each budget cycle at both proposed final and final adoption. The District does not have any option other than to use this document for compliance with Act 1.
- ▶ Each year, Administration posts the PDE 2028 on the District's website and hard copy at proposed and final adoption.
- ▶ Administration has held and will continue to communicate budget updates each month until the final budget passage in June 2023.

Expenditures 22-23 vs 23-24

Instruction	22-23	23-24	% Change	Explanation
100	\$ 30,774,373	\$ 31,976,625	3.91%	Contractual + New Positions
200	\$ 20,994,697	\$ 21,627,466	3.01%	Benefits
300	\$ 2,735,950	\$ 3,521,700	28.72%	Special Ed Contracted Svcs
400	\$ 505,389	\$ 569,039	12.59%	Leasing/Repairs/Maint
500	\$ 6,560,319	\$ 5,667,292	-13.61%	Charter Schools
600	\$ 1,388,550	\$ 1,656,721	19.31%	IT Supplies/Instructional Supplies
700	\$ -	\$ -		Equipment
800	\$ 22,230	\$ 20,930	-5.85%	Dues/Fees
Total	\$ 62,981,508	\$ 65,039,773	3.27%	
Support Services				
100	\$ 11,920,325	\$ 12,490,137	4.78%	Contractual + New Positions
200	\$ 9,043,317	\$ 9,187,595	1.60%	Benefits
300	\$ 830,173	\$ 859,194	3.50%	Prof Svcs
400	\$ 625,420	\$ 610,370	-2.41%	Agreements
500	\$ 5,718,953	\$ 5,981,511	4.59%	Transportation
600	\$ 1,694,422	\$ 1,811,653	6.92%	Utilities
700	\$ 7,000	\$ 7,000	0.00%	Equipment
800	\$ 58,033	\$ 46,101	-20.56%	Dues/Fees
Total	\$ 29,897,643	\$ 30,993,561	3.67%	

Expenditures 22-23 vs 23-24 Cont'd

Operation of Non-Inst Services	<u>22-23</u>	<u>23-24</u>	<u>% Change</u>	<u>Explanation</u>
100	\$ 924,808	\$ 1,000,445	8.18%	Activities/Athletics/EPED
200	\$ 443,394	\$ 464,319	4.72%	Benefits
300	\$ 109,800	\$ 111,000	1.09%	Ambulance/Security Monitoring
400	\$ 48,500	\$ 48,550	0.10%	Athletic Equip Repairs/Maint
500	\$ 116,180	\$ 116,300	0.10%	Athletic Transportation
600	\$ 123,850	\$ 111,800	-9.73%	Athletic Supplies/Uniforms
700	\$ -	\$ -		Equipment
800	\$ 309,200	\$ 274,750	-11.14%	Scholarships/Tax Rebates
900	\$ -	\$ 10,000		Scholarships
Total	\$ 2,075,732	\$ 2,137,164	2.96%	
Other Exp/Financing Uses				
800	\$ 2,736,254	\$ 3,100,642	13.32%	Debt Interest/Leases - GASB
900	\$ 4,843,130	\$ 4,740,007	-2.13%	Debt Principal/Fund Transfers
Total	\$ 7,579,384	\$ 7,840,649	3.45%	
Grand Total	\$ 102,534,266	\$ 106,011,148	3.39%	

Revenues 22-23 vs 23-24

<u>Revenues</u>	<u>2022-23 Budget</u>	<u>2023-24 Budget</u>	<u>% Change</u>	<u>Explanation</u>
Local Revenues*	73,732,699	75,737,479	2.72%	RE Assessments, Interest, EIT
State Revenues	26,093,190	27,071,158	3.75%	Basic Ed, Sp Ed Subsidies
Federal Revenues	1,000,000	725,000	-27.50%	Title I, II, IV, ESSER
Misc/Fund Balance	1,708,378	1,202,500	-29.61%	Use of Fund Balance, Sale Fixed Assets
Grand Total	102,534,266	104,736,138	2.15%	

**Based on a 0% tax increase*

Budget Summary – RE Taxes

Revenues	104,736,137
Expenditures	\$ 106,011,148
Budget Short	\$ (1,275,011)

Fiscal Year	Millage Rate	Act 1 Index	Actual Tax Increase			Yearly Increase	Monthly Increase
2020-21	55.74	3.10%	0.00%			\$ -	\$ -
2021-22	56.80	3.60%	1.90%			\$ 77.38	\$ 6.45
2022-23	56.80	4.00%	0.00%			\$ -	\$ -
2023-24* (Proposed Budget)	57.94	4.80%	2.00%			\$ 83.22	\$ 6.94
Total		15.50%	3.90%			\$ 160.60	\$ 13.38

Northampton County							
RE Rates	22-23	Rank					
Easton	67.99	Highest	<i>Nazareth</i>	<i>56.80</i>	<i>4th Lowest Out of 10 Districts in Northampton County</i>		
Saucon Valley	54.66	Lowest					

Pending Items

- ▶ State Funding – No guarantee of budget passage or funding amounts prior to June 30, 2023.
- ▶ County Property Assessments – Ongoing based on new residential and commercial developments.
- ▶ Breakfast Program Implementation.

There is a 100% probability the proposed final budget will change between now and final budget passage in June. The preliminary RE tax rate will also change between now and final passage. Administration makes it a yearly priority to minimize a tax increase. However, it is equally important to look both short and long-term with budgets as Act 1 is a non-forgiving system. It does not care if a District needs a tax increase higher than the Index allows. Harrisburg, Chester Upland, Reading SDs are examples of Districts becoming financially distressed – (not having sufficient funding to maintain operations).

Action Steps

This Evening – Two action items are being requested:

- ▶ (1) Board approval of the Proposed Final Budget. Following board action, the District is required to publicly post the budget (website and also hard copy) and send a notification to the PDE (certification of use).
- ▶ (2) Approval to move forward with the hiring process for open positions in the 2023-24 fiscal year.

Questions?

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