

NORTH EAST SCHOOL DISTRICT

2025-26

Proposed Final Budget
Presentation

May 22, 2025

NORTH EAST SCHOOL DISTRICT BUDGET SUMMARY

	<u>2024-25</u> <u>BUDGET</u>	<u>2025-26</u> <u>BUDGET</u>	<u>INCREASE /</u> <u>(DECREASE)</u>	<u>PERCENT</u> <u>CHANGE</u>
REVENUES				
Real Estate Taxes	\$ 9,297,935	\$ 9,453,804	155,869	1.68%
Earned Income Taxes	1,325,000	1,385,000	60,000	4.53%
Other Taxes	198,750	204,200	5,450	2.74%
Other Local Revenues	839,965	777,000	(62,965)	-7.50%
State Subsidies	17,169,477	18,333,069	1,163,592	6.78%
Federal Subsidies	559,615	548,200	(11,415)	-2.04%
	<u>29,390,742</u>	<u>30,701,273</u>	<u>1,310,531</u>	<u>4.46%</u>
EXPENDITURES				
Salaries & Benefits	21,786,009	22,840,839	1,054,830	4.84%
Purchased Services	3,618,517	3,954,339	335,822	9.28%
Utilities	446,575	433,170	(13,405)	-3.00%
Equipment & Supplies	1,421,748	1,344,783	(76,965)	-5.41%
Debt Service	1,615,000	1,616,650	1,650	0.10%
Fund Transfers & Reserves	901,785	937,855	36,070	4.00%
	<u>29,789,634</u>	<u>31,127,636</u>	<u>1,338,002</u>	<u>4.49%</u>
Increase/Decrease in Fund Balance	<u>\$ (398,892)</u>	<u>\$ (426,363)</u>		

CHANGES SINCE PROPOSED PRELIMINARY - MARCH 20, 2025

REVENUES	
Ready to Learn Adequacy Supplement <ul style="list-style-type: none"> • Year 2 of PA Legislature response to fair funding lawsuit reform • 100% Year 1 and 50% Year 2 of adequacy supplement is budgeted 	\$290,817
Real Estate Taxes <ul style="list-style-type: none"> • 2.98% increase - \$48.00 per \$100,000 assessed value 	136,467
Homestead Property Tax Reduction – 14% Increase <ul style="list-style-type: none"> • \$128,033 will be available for NESD – May 1, 2025 	128,033
<i>PENDING - Real Estate Taxes</i> <ul style="list-style-type: none"> • <i>Decrease – Mellon Heritage Foundation Tax Exempt Status – (\$74,000)</i> 	

CHANGES SINCE PROPOSED PRELIMINARY - MARCH 20, 2025

EXPENDITURES	
Decrease in Salaries - Net <ul style="list-style-type: none">• Less: One (1) HS teacher• <i>Pending additional staffing reductions via attrition</i>	\$87,454
Decrease in Supplies & Equipment <ul style="list-style-type: none">• Reduction of athletic supplies & equipment	24,679

Recommendation

- A tax increase of 2.98% is recommended at this time.
 - Act 1 Index would permit up to 5.70%.
 - Increase is \$57.65 per \$120,100 Homestead Median Assessed Value for 2025 (\$4.80 per month)
 - PA Property Tax Relief Increase (Homestead Exclusion) will reduce taxes by \$50.17 per homestead/farmstead property
 - Net increase of \$7.48 or \$0.62 per month per Homestead Median Assessed Value property



Current Inflationary Indices:

- 2025-26 Act 1 Index – 5.7%
- CPI-U February (2025) – 2.8%
- PA SAWW (2025) – 1.7%
- Social Security COLA (2025) – 2.5%

Historical Tax Increases

2024-25	3.94%
2023-24	3.82%
2022-23	3.83%
2021-22	1.92%
2020-21	0.00%
2019-20	0.00%
2018-19	1.00%
2017-18	1.90%
2016-17	0.88%
2015-16	1.50%
2014-15	1.00%
2013-14	0.00%
2012-13	2.40%

2025-2026 Budget Process Timeline

-  Budget Discussions/Updates – May 22, 2025
-  Final Adoption – June 5, 2025