

Budget Meeting Agenda

May 14, 2025

1) Next Steps for 2025-2026 Budget

- a. Thursday, May 22, 2025 – Adopt the 2025-2026 ***Proposed*** Final General Fund Budget at the Regular Monthly School Board Meeting at 5:00 P.M. in the Large Group Instruction Room of the Hazleton Area Career Center.
- b. Wednesday, June 18, 2025 – Final Budget Review (Public Budget Meeting) at 5:00 P.M. in the 2nd Floor Conference Room of the Hazleton Area School District Administration Building. We will discuss all of the tax options, homestead exclusion and final budget amounts for both expenses and revenues.
- c. Thursday, June 26, 2025 – Adopt the 2025-2026 Final General Fund Budget at the Regular Monthly School Board Meeting at 5:00 P.M. in the Large Group Instruction Room of the Hazleton Area Career Center.

2) Current Budget Update

TOTAL EXPENSES	\$265,891,699
TOTAL REVENUES	\$255,131,244
(DEFICIT)	(\$10,760,454)

*** As we have successfully achieved a balance budget for the past two years (2023-2024 & 2024-2025), our goal is again to achieve this. This is something that Moody's and others look favorably upon when determining the district's borrow (credit) rating. In addition, to maintaining a healthy fund balance.

3) 2025-2026 Proposed Final General Fund Budget Highlights

- a. Real Estate Tax Revenue (6111) is at \$59,747,188 (**decrease of \$198,848** from 2024-2025 Budget). This amount is using the assessments for Luzerne (November 2024), Schuylkill (March 2025) and Carbon Counties (May 2025) respectively to try and keep the same tax rates for all 3 counties as they were the prior year. Therefore, in this budget there is no current tax increase. All of the tax options will be discussed at the June 18, 2025 Public Budget Meeting. At this point in time we should have all FINAL assessments from each of the 3 counties.
- b. This ***Proposed*** Final General Fund Budget includes the **Basic Ed Subsidy (a/c 7111)** projected amount, as provided by PDE, of \$70,680,379. This is an increase of \$1,304,498 from the 2024-2025 amount. ***Hopefully***, this is the amount that will be approved with the Governor's Budget.
- c. The ***proposed*** increase to our **Ready to Learn Block Grant** of \$12,360,815 (Adequacy Supplement), with our foundation at \$14,035,631, the total proposed 2025-2026 award is \$26,396,447. These funds are limited in use to programs that focus on high-quality academics.

- d. Earned Income Tax is currently budgeted \$20,000,000 for 2025-2026. Increase of \$2,000,000.

School Year	E.I.T. Revenue	Increase	% Increase
2013-2014	\$ 12,521,207.28		
2014-2015	\$ 12,463,340.46	\$ (57,866.82)	-0.46%
2015-2016	\$ 12,868,475.15	\$ 405,134.69	3.25%
2016-2017	\$ 13,496,284.88	\$ 627,809.73	4.88%
2017-2018	\$ 13,636,948.40	\$ 140,663.52	1.04%
2018-2019	\$ 14,162,430.05	\$ 525,481.65	3.85%
2019-2020	\$ 14,583,326.00	\$ 420,895.95	2.97%
2020-2021	\$ 14,832,212.68	\$ 248,886.68	1.71%
2021-2022	\$ 16,142,289.57	\$ 1,310,076.89	8.83%
2022-2023	\$ 18,052,167.39	\$ 1,909,877.82	11.83%
2023-2024	\$ 19,552,783.38	\$ 1,500,615.99	8.31%
	10 Year Increase	\$ 7,031,576.10	56.16%

- e. All State and Federal programs (including Special Education funding) are still in the process of being reconciled matching the expenses with the projected anticipated revenues. This will be completely reconciled once all new positions have been discussed and adequately budgeted for and **FINAL amounts have been provided by the State and Federal Governments**.
- f. Increase in Earnings on Investments of \$400,000.
- g. Increase in State Property Tax Reduction Allocation in the amount of \$614,692. This will be given back to the **Homestead Exclusion** participants in the form of a higher credit on their tax bills for this year. (Estimate \$40 additional in a Homestead Exclusion per qualifying household) – This will be discussed at the June 18, 2025 Public Budget Meeting in more detail.
- h. Increase in costs from Charter Schools, Cyber Schools, Outplacements and Specialized services have significantly affected the district over the past few years. They are basically unfunded and the annual increase of Basic Ed. & Special Ed. does not nearly cover the additional increased expenses the district experiences. Most of these outside groups are for-profit and there are no way of controlling the increases in these costs without the help of PDE.
- i. Increase in special education student enrollment has forced our district to open up additional classrooms throughout the district. We are mandated by PDE, due to class size limits (28 vs. 8 or 12), to provide additional space and teachers / paraprofessionals to accommodate these students. Special Education budget has increased \$8,389,972 since last year's budget, while Special Education funding is only projected to increase by \$882,033. This funding increase will only cover about 11% of the increased expenditures.
- j. Increase in additional teachers for enrollment spikes and preparing for the opening of the new school. An update will be presented by the PA Economy League in June.

- k. Kindergarten registration was opened 2 months earlier than usual and we have exceeded our enrollments from our previous year at this time already.
- l. Self-Funded Healthcare – \$20,093,295 – currently but will change daily as we add / remove positions to the budget.
- m. Drums Elementary / Middle School Parking Lot / Driveway Project = \$2,000,000
- n. Heights-Terrace Elementary / Middle School Additional Parking Lot = \$350,000
- o. HAHS Tennis Court Renovation, Roadway, & Additional Parking = \$4,000,000
- p. Gyp’s Parking Lot, Relocation of Playground and New Entrance to Freeland EMS = \$2,000,000
- q. Castle brick/roof restoration = \$250,000
- r. Remaining Site Work at Maple Manor Multi-Purpose Field = \$225,000
- s. Various Capital Improvements identified by Facilities Director for entire district = \$1,500,000
- t. Professional Services (Architects, Engineers & Construction Management) = \$1,500,000
- u. Transfer to Capital Projects Fund for New School Expenses = \$1,000,000
- v. \$10,000,000 Bond Issue (Borrowing) for ESCO Project Phase 4 = \$600,000 (Debt Service)
- w. \$10,000,000 Bond Issue (Borrowing) for New School Construction = \$600,000 (Debt Service)
- x. Acquisition of Property / Buildings = \$1,040,000
- y. Athletics increase of \$400,000

4) Update on Current 2025-2026 Budget Process

- a. Please note that the General Fund Budget is a work-in-progress document that is changing daily.
- b. Any retirements that the district receives from now until the end of June will be evaluated by the Administration to determine if replacement is needed.
- c. All department and school budgets have been reviewed with each of the respective department heads and/or principals. We continue to work in these budget files looking for additional cuts.
- d. Salary & benefit budgeting is being evaluated by central administration. Each building principal and department supervisor will be confirming the accuracy of his/her staff within the 2025-2026 budget over the course of the next 6 weeks.
- e. The Business Office has not applied for the 2025-2026 Referendum Exceptions since the Board decided to limit any tax increase to the index and approved the Accelerated Budget Opt Out Resolution.
- f. Final Basic Education Funding and Special Education Funding should be made available in June.
- g. Executive session budget meetings will be held to discuss personnel and specific positions in June.
- h. Proposed Final General Fund Budget is scheduled to be Board approved on Thursday, May 22, 2025 at the Regular Monthly School Board Meeting.
- i. General Fund Budget TOTALS (Revenues & Expenses) will continue to be updated and presented at the next Public Budget Meeting scheduled for Wednesday, June 18, 2025 at 5:00 P.M. – FINAL Budget Review.
- j. **Final** General Fund Budget is scheduled to be Board approved on Thursday, June 26, 2025 at the Regular Monthly School Board Meeting.

5) Questions / Comments