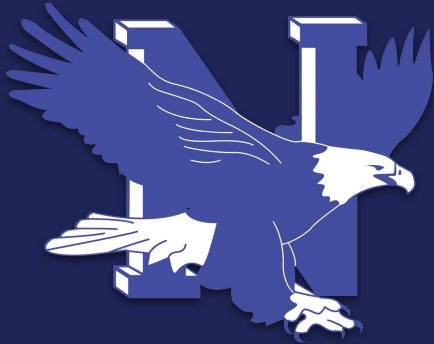




Understanding Your School District's Budget: Nazareth Area School District



Superintendent and Community Round Table Discussion:
Financial Planning

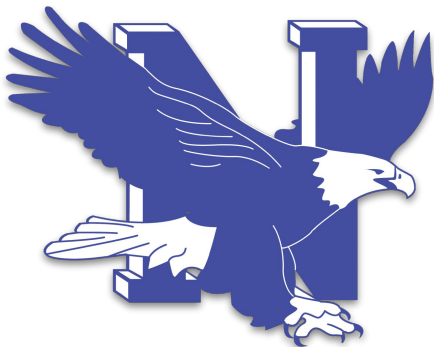
January 21, 2025



Purpose: Superintendent & Community Round Table Discussion

Purpose of the Superintendent and Community Round Table is:

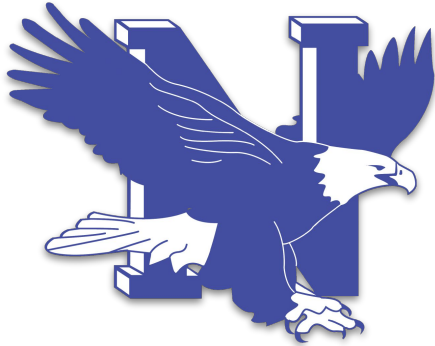
- To establish an open and collaborative dialogue between the Superintendent, district leadership, and the community by providing a platform for shared conversation with the goal of sharing information about key district initiatives.





Agenda

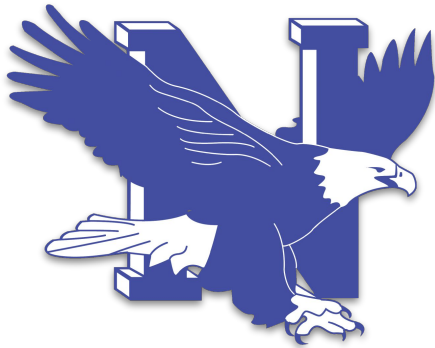
- Introductions
- Breakdown of the District Budget Process
 - Revenue Sources
 - Expenditure Categories
 - Budget Development Process
 - Public Involvement
- Questions and Answers
- Conclusion





One Word: Introductions

1. Write your name on the name tents.
2. Pick a single word that best describes your current mood or reason for participating in this Round Table write the single word on your name tent!
3. Introductions!



FUN FACT: NASD is the lowest spending school district per pupil out of the 13 districts in the IU20 region for the past two years.

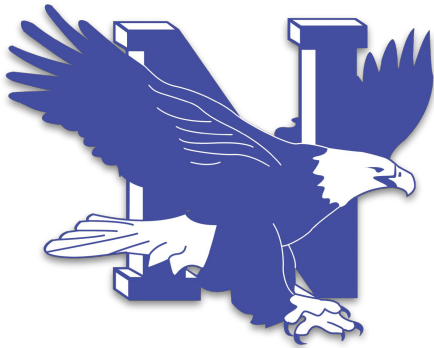


Session 1: Understanding District Budget

Goal of this session is to provide transparency and understanding of the Nazareth Area School District's budget process and breakdown.

Purpose is to explain how the district's budget is:

- Developed
- Funded
- Spent





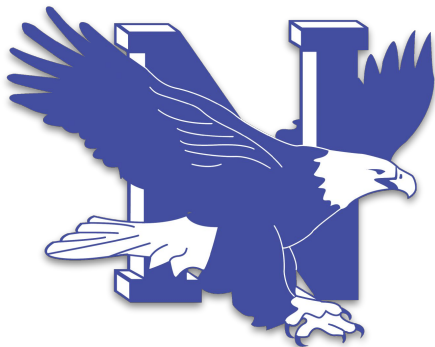
Parking Lot

Have a question throughout the session that is:

- **Off-topic:** Not directly related to the current discussion.
- **Highly specific:** Relevant only to a small number of people.
- **Requiring more in-depth discussion:** That we won't have time for in this session.

If you have a question that fits any of these categories, please:

1. **Grab a sticky note** and a pen from the table.
2. **Write your question** clearly on the sticky note.
3. **Place the sticky note on the 'Parking Lot'** area on the flip chart

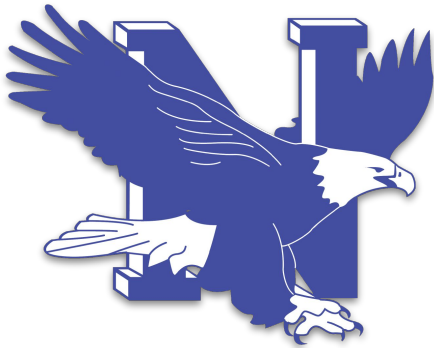




Introduction – Why This Matters

Investing in Our Future: The Nazareth Area SD Budget

- Nazareth is the lowest spending, yet highest achieving school district per pupil of the 13 districts in the IU20 region for the past two years.
- Understanding the budget ensures transparency and community involvement in our children's education.
- The budget reflects our commitment to our community and the students we serve.





Revenue Sources: Where it Comes From

Local Funding (Property Taxes)

- 72% of NASD Budget - Primarily Property Taxes
- Property Taxes are the ONLY adjustable revenue source for the district

State Funding

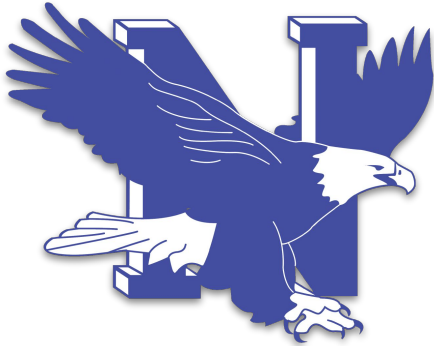
- 27% of NASD Budget - Basic Ed, Sp Ed, PSERS
- NASD has no control over amount of state funding received

Federal Funding

- Less than 1% of NASD Budget
- Federal Grants include Title I , II, IV, and IDEA

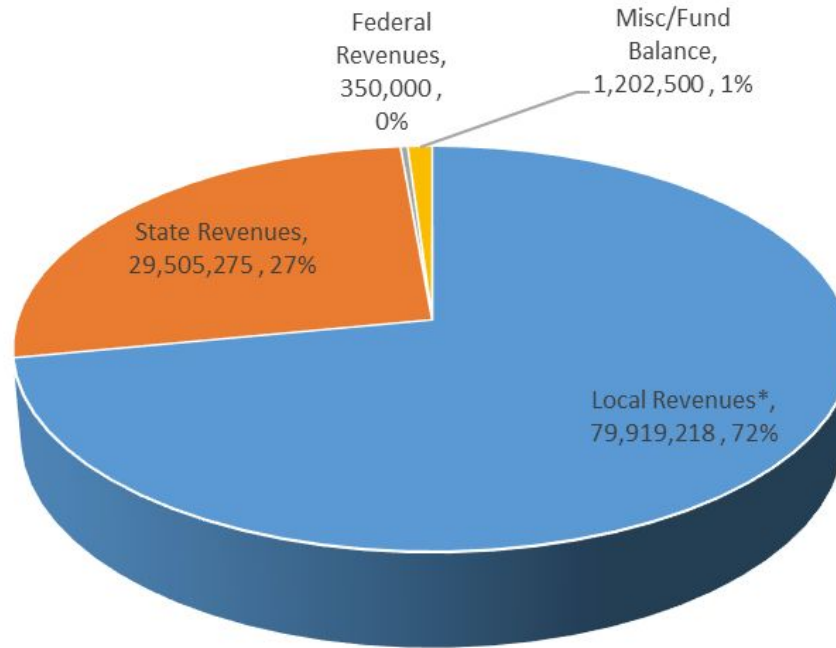
Fund Balance

- District “savings” and used to balance the budget
 - NASD annually budgets 1% of its fund balance
-





2024-25 Revenues

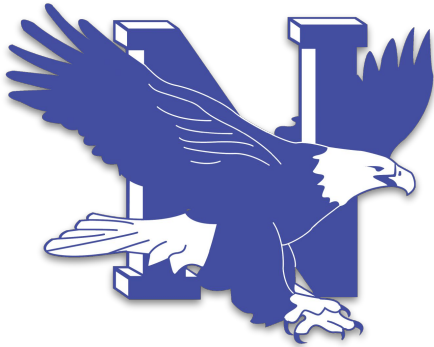




Local Funding – Property Taxes

Understanding Property Values and Taxes

- Northampton County assessed property values at 50% of market value. District has no control over establishing value of properties within District boundaries
- Example Calculation:
 - Market Value: \$234,200
 - Assessed Value: \$117,100
 - Millage Rate (Example): 50.00
 - Calculation: $\$117,100 \times 50.00 / 1,000 = \$5,855$ (Property Tax)
- The total assessed value of all properties in the district determines the millage rate needed to generate required revenue.

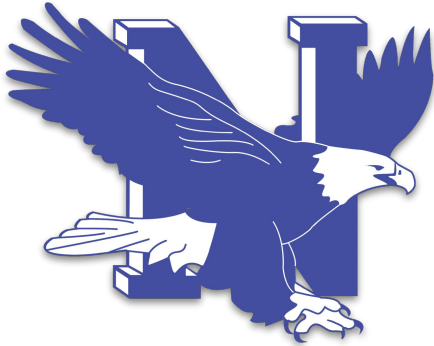




Expenditure Categories – Where the Money Goes

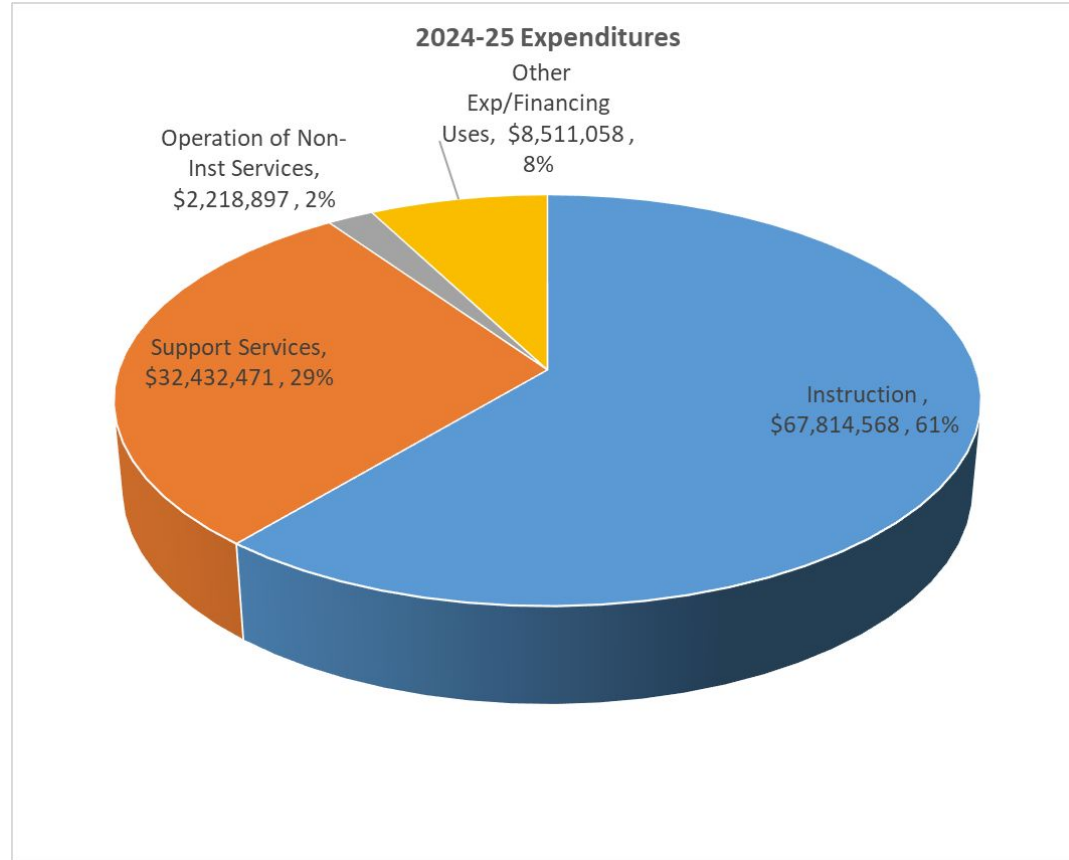
How We Invest in Our Students: Expenditure Breakdown

- 90% instruction/direct support of instruction
- 2% extra-curricular, athletics
- 8% debt repayment



Expenditure Categories

- **Instructional Costs (90%):** Teacher salaries, benefits, classroom supplies, textbooks, technology, curriculum development. (*INCLUSIVE of Support Services*)
- **Support Services (29% of the 90%):** Principal's offices, libraries, guidance counselors, nurses, special education services.
- **Non-Instructional Services (2%):** Extracurricular activities, athletics.
- **Debt Repayment (8%):** Repayment of debt for capital projects.

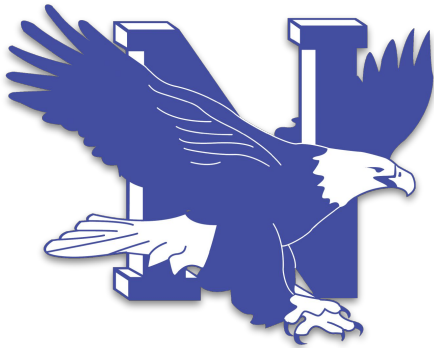




Budget Development Process – The Timeline

The Budget Cycle:

- Pennsylvania Department of Ed (PDE) mandates the budget development timeline.
- Key Dates:
 - August: Budget development begins.
 - January/February: Preliminary budget displayed and approved; Public Hearings.
 - April/May: Proposed final budget
 - June 30th: Final budget must be approved.
 - [Link to PDE Calendar](#)

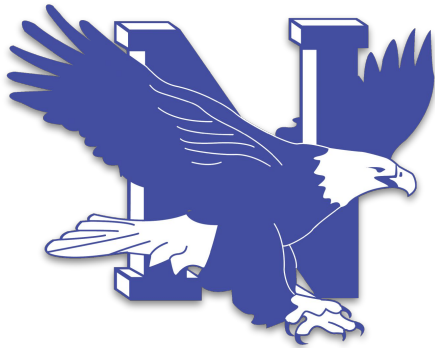




Act 1 of 2006 – Tax Limitations

Understanding Act 1 of 2006

- Act 1 limits the amount school districts can increase property taxes each year.
- The annual "Act 1 Index" is based on statewide average weekly wage and the Employment Cost Index.
- Nazareth Area SD's adjusted index calculation is $.75 + .4157 = 1.166$; $1.166 \times \text{base index of } .40 = 0.4664$ (rounded to 4.7%)

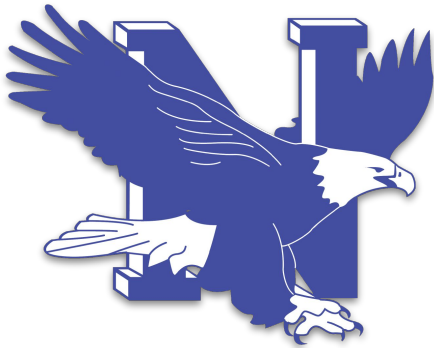




Nazareth Area SD – Key Facts

Nazareth Area SD: Investing Wisely

- Lowest spending, highest achieving per pupil in IU20 for the past two years.
- Nearly \$9 million in bond debt repaid early, saving significant interest costs.
- K-12 building budgets have not increased in 9+ years, despite a 200+ student increase.
- Annual tax burden has averaged less than 1% (.88%) since 2020-21 FY.
- 37 new teacher positions added since 2020-21 FY.
- Charter school costs reduced by nearly \$1 million since 2021-22 FY.

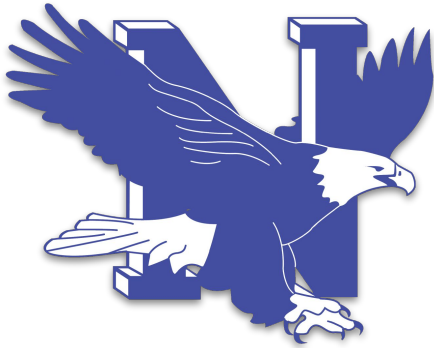




Community Learning and Sharing

How can you learn more about the Budget?

- Community understanding the budget development, funding, and spending is important to our ongoing partnership!
 - Superintendent and Community Round Table as an opportunity for sharing and learning
- Contact us for more information.
 - Dr. Resende: iresende@nazarethasd.org
 - Dr. Whiteleather: swhiteleather@nazarethasd.org
 - Mr. Amato: ramato@nazarethasd.org
- Visit the [district website](#) for previous budget information.

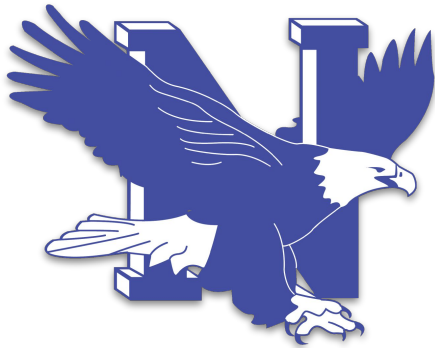




Questions and Answers

General Themes of Questions Asked Leading Up to Presentation on Our District's Financial Planning were:

- How have we kept general operating budget costs down?
- How does the district budget for larger expenditures?
- What is the decision making process for prioritizing and approving expenditures (short and long term)?





Thank you!

Want a copy of this presentation?

- Scan this QR Code or visit the District Website and the [Superintendent & Community Round Table Discussion page!](#)



Want more detail explanation of the district budget?

- Scan this QR Code or visit the District Website and the [Superintendent & Community Round Table Discussion page!](#)

