



**BETHLEHEM**  
AREA SCHOOL DISTRICT

*2026-2027 General Fund  
Budget Workshop*

*March 30, 2026*





# BETHLEHEM AREA SCHOOL DISTRICT

Total Student Enrollment: 12,500 +  
Special Education: 3100 +  
BAVTS: 830 +

District Personnel: 2,200 + (full time & part-time)  
Total Annual Budget: 395 Million



## Our Students:

- 50 + languages spoken by our students

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- Hispanic: 46.4%
- White: 37.7%
- Black or African American: 11.2%
- Multi Racial: 1.4%
- Other: 3.3%

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- Economically Disadvantaged: 62.3%
- English Learners: 8.5%

## Buildings:

- 16 Elementary Schools
- 4 Middle Schools
- 2 High Schools
- 1 Cyber School

Total Square Footage of  
District Buildings:  
2,514,000

## District Fleet:

- 142 Buses/Vans
- 48 District Vehicles
- Students Transported  
Daily: 8,500+

Miles Traveled Daily: 7,000+



## Our Community:

Covering Five Municipalities

- City of Bethlehem – 30,162
- Bethlehem Township – 9,776
- Hanover Township – 7,169
- Fountain Hill – 1,942
- Freemansburg – 1,224

Total # of Households – 50,273



# BETHLEHEM

## AREA SCHOOL DISTRICT

### FY 2026-27 ACT 1 Timeline:

Date	Action	Status
September 30	PDE publishes the Act 1 index. Act 1 index is 3.5 %. The District's Adjusted index 4.2%	Complete
November – December	Distribute budget templates to buildings and departments	Complete
December 1	Board Combined Committee Meeting – Decision point accelerated Preliminary Budget or “Opt-Out” Resolution  **No school district that receives an adequacy supplement funding shall seek an Act 1 referendum exception for the 2026-27 school year	Complete
January 29, 2026	Deadline to make Preliminary Budget available or adopt “Opt-Out” Resolution	Complete – Dec 15
February 9	Finance Committee Meeting - Year in review and Revenue projections	Complete
March 16	Finance Committee Meeting - Review of District Priorities	Complete
March 30	Budget Workshop – Preliminary Budget	<u>We are here</u> ←
April 20	Finance Committee Meeting - Budget Update	
May 11	Special Board Meeting to adopt the proposed Final Budget Deadline to adopt the proposed Final Budget (May 31, 2026)	
May 19	Deadline to make proposed Final Budget available for public inspection (20 days before adoption)	
May 29	Deadline to offer public notice of intent to adopt Final Budget (10 days before adoption)	
June 8	Special Board Meeting - Presentation and adoption of Final Budget Deadline to adopt Final Budget (June 30)	

# *FY26 Budget vs. FYTD Actual*

	2025-2026 Enacted Budget	2025-2026 Actual (02/2026)	Budget VS Actual	% of Budget
Real Estate Taxes (Current and Delinquent)	(202,090,769)	(200,074,940)	(2,015,829)	99%
Act 511 Taxes	(29,040,441)	(16,591,867)	(12,448,574)	57%
Other Sources	(9,658,038)	(8,850,003)	(808,035)	92%
<b><i>Local Sources</i></b>	<b><i>(240,789,248)</i></b>	<b><i>(225,516,811)</i></b>	<b><i>(15,272,437)</i></b>	<b>94%</b>
Basic Education Funding	(56,216,191)	(32,864,232)	(23,351,959)	58%
Special Education Funding	(10,244,769)	(6,146,856)	(4,097,913)	60%
Transportation Subsidy	(2,396,372)	(1,321,518)	(1,074,854)	55%
RTL – Block Grant	(6,299,704)	(6,299,704)	-	100%
RTL – Adequacy Funding	(4,501,720)	(4,501,720)	-	100%
State Reimbursement of Employee Benefits	(28,795,294)	(5,108,925)	(23,686,369)	18%
All Other State	(12,216,573)	(11,085,055)	(1,131,518)	91%
<b><i>State Sources</i></b>	<b><i>(120,670,623)</i></b>	<b><i>(67,328,010)</i></b>	<b><i>(53,342,613)</i></b>	<b>56%</b>

# *FY26 Budget vs. FYTD Actual*

	2025-2026 Enacted Budget	2025-2026 Actual	Budget VS Actual	% of Budget
Title I	(5,673,293)	(1,386,855)	(4,286,438)	24%
Title II	(563,337)	(112,667)	(450,670)	20%
Title III	(211,759)	(47,613)	(164,146)	22%
Title IV	(585,325)	(198,606)	(386,719)	34%
Family Center	(180,202)	(95,043)	(85,160)	53%
Medicaid Reimbursement	(908,000)	(584,076)	(323,924)	64%
All Other Federal	(227,665)	(88,041)	(139,624)	39%
<i>Federal Sources</i>	<i>(8,349,581)</i>	<i>(2,512,901)</i>	<i>(5,836,680)</i>	<i>30%</i>
<i>Other Funding Sources</i>	<i>(889,117)</i>	<i>(3,142,065)</i>	<i>2,252,948</i>	<i>353%</i>
<i>Total Revenues</i>	<i>(370,698,569)</i>	<i>(298,499,787)</i>	<i>(74,451,730)</i>	<i>81%</i>

# *FY26 Budget vs. FYTD Actual*

	2025-2026 Enacted Budget	2025-2026 Actual	Budget vs. Actual	% of Budget
Salaries	138,753,689	77,693,098	61,060,591	56%
Employee Benefits	94,627,491	53,780,614	40,846,877	57%
Purchased Professional & Technical Services	9,706,608	6,525,321	3,181,287	67%
IU Services	15,895,481	9,484,509	6,410,972	60%
Purchased Property Services	4,741,195	3,812,627	928,568	80%
Tuition to PA Charter Schools	46,511,243	28,337,827	18,173,416	61%
All Other Tuition and Purchased Services	16,174,149	13,937,220	2,236,929	86%
Supplies	15,654,259	11,395,811	4,258,448	73%
Property	1,497,700	861,380	636,320	58%
Debt Service (P&I)	26,080,656	25,720,099	360,557	99%
Other Objects (Contingency)	1,601,880	181,663	1,420,217	11%
Other Financing Uses	2,000,000	25,008	1,974,992	1%
<b><i>Total Expenditures</i></b>	<b><i>373,244,351</i></b>	<b><i>231,755,176</i></b>	<b><i>141,489,175</i></b>	<b><i>62%</i></b>



# BETHLEHEM

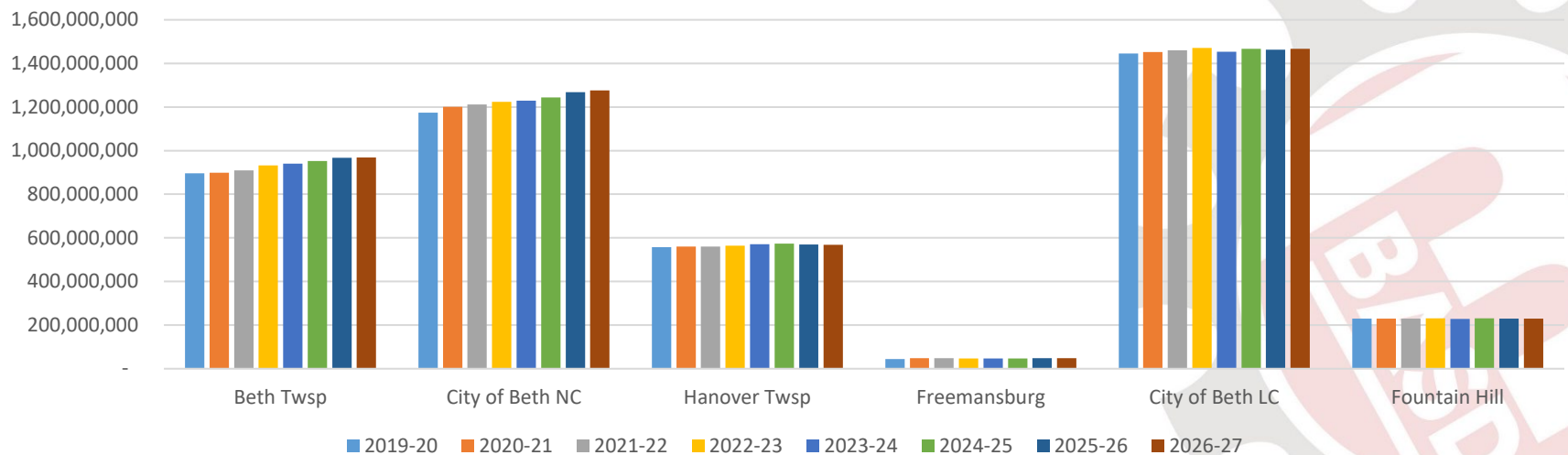
AREA SCHOOL DISTRICT

*2026-2027*



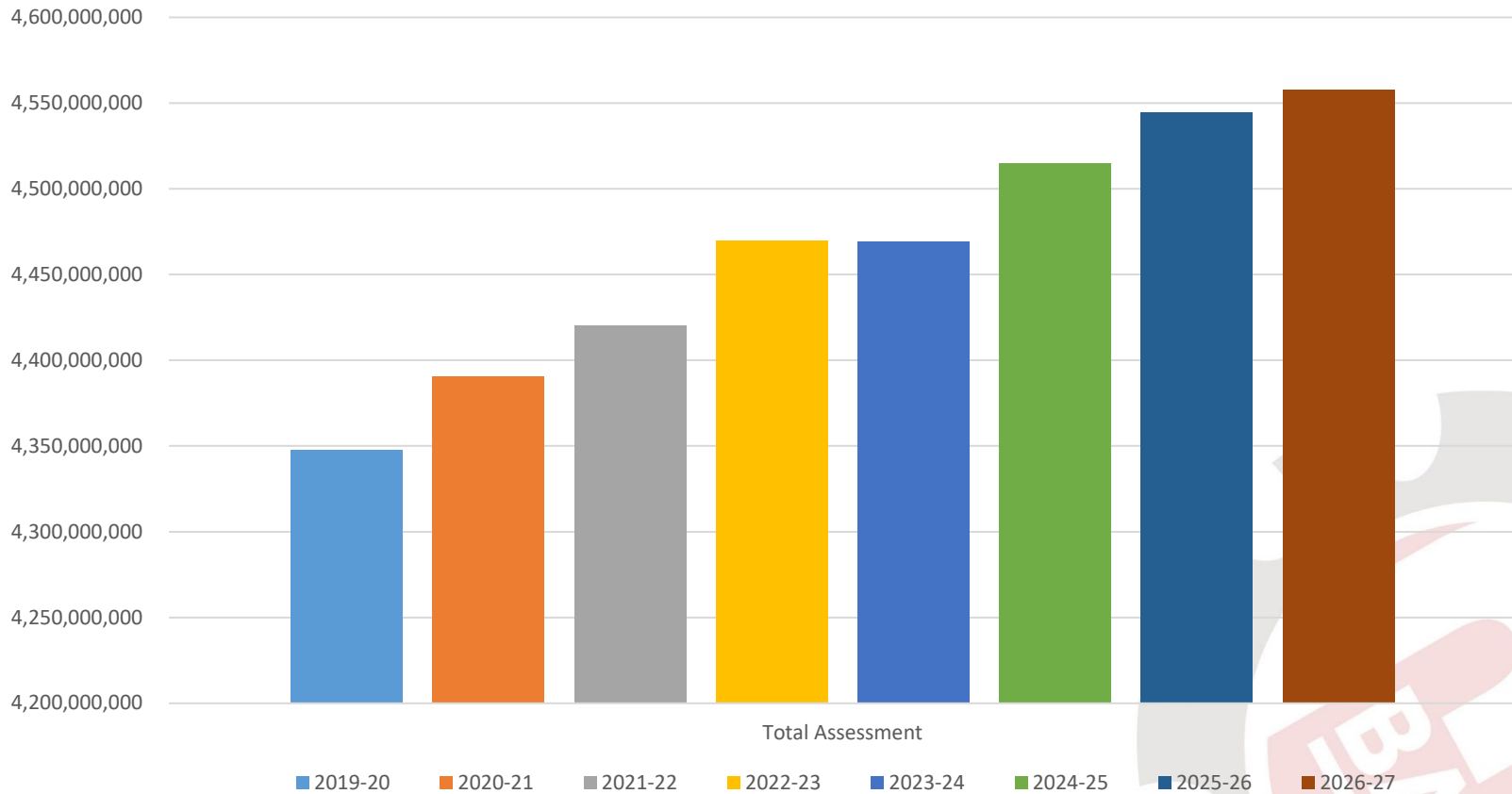
# Tax Assessed Values

Tax Year	Beth Twps.	%	City of Beth NC	%	Hanover Twps.	%	Freemansburg	%	City of Beth LC	%	Fountain Hill	%	Total Assessment	%
20-21	899,143,600	0.4%	1,201,538,100	2.3%	559,474,450	0.3%	47,710,200	7.9%	1,452,545,700	0.4%	230,109,100	0.1%	4,390,521,150	0.98%
21-22	909,184,500	1.1%	1,212,464,400	0.9%	559,636,050	0.0%	47,925,000	0.5%	1,461,141,000	0.6%	229,781,200	0.1%	4,420,132,150	0.67%
22-23	932,206,000	2.5%	1,224,156,600	1.0%	564,502,250	0.9%	46,773,200	2.4%	1,471,756,700	0.7%	230,449,600	0.3%	4,469,844,350	1.12%
23-24	940,606,800	0.9%	1,228,859,400	0.4%	570,923,750	1.1%	46,772,400	0.0%	1,453,472,100	1.2%	228,431,000	0.9%	4,469,065,450	-0.02%
24-25	952,274,500	1.2%	1,243,663,500	1.2%	573,772,900	0.5%	47,332,700	1.2%	1,466,813,100	0.9%	230,844,800	1.1%	4,514,701,500	1.02%
25-26	958,391,300	0.6%	1,265,045,200	1.7%	572,238,100	0.3%	47,731,700	0.8%	1,463,834,300	0.2%	229,140,400	0.7%	4,536,381,000	0.48%
26-27	969,133,000	0.2%	1,276,334,700	0.6%	568,002,400	0.2%	47,724,300	0.0%	1,467,692,500	0.3%	228,911,200	0.2%	4,557,798,100	0.29%

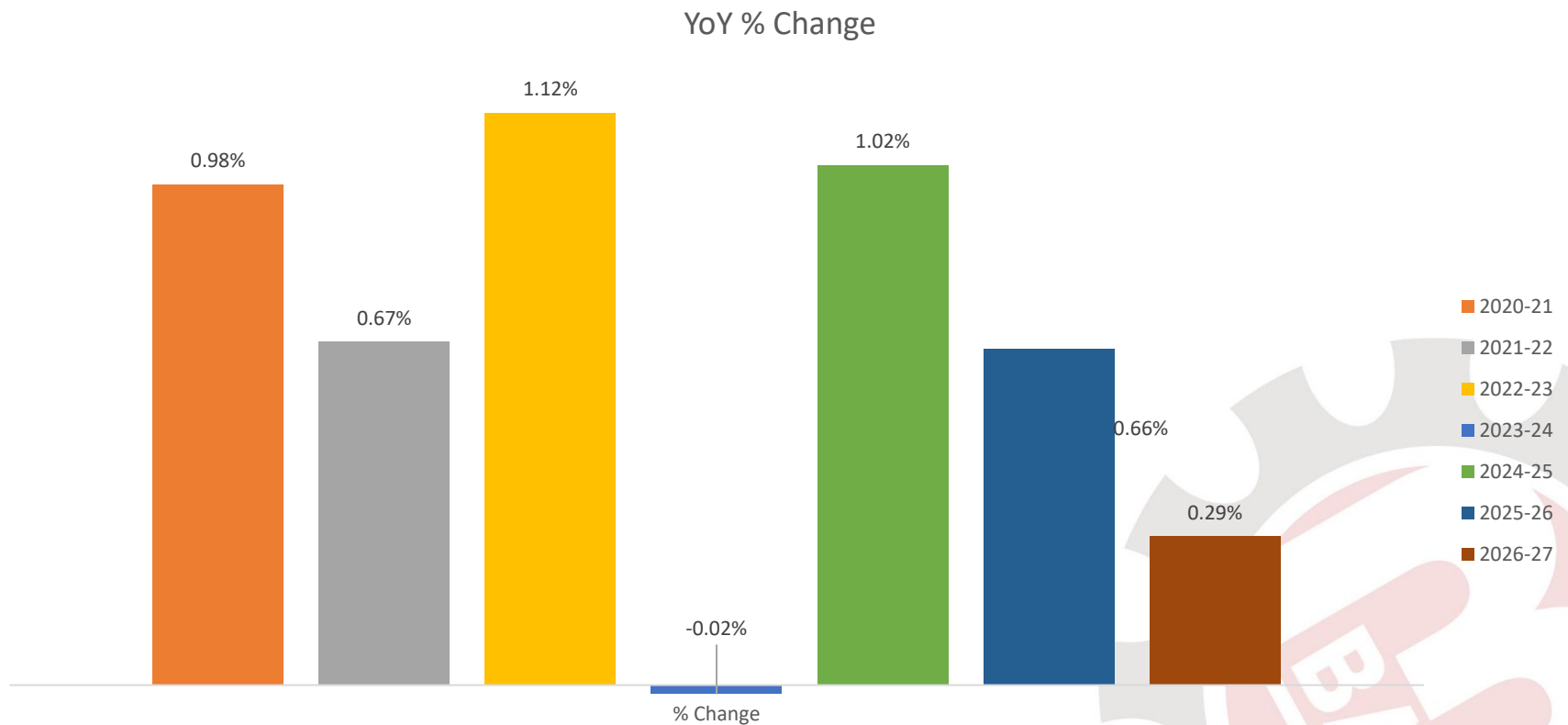


March 30, 2026

# Tax Assessed Values

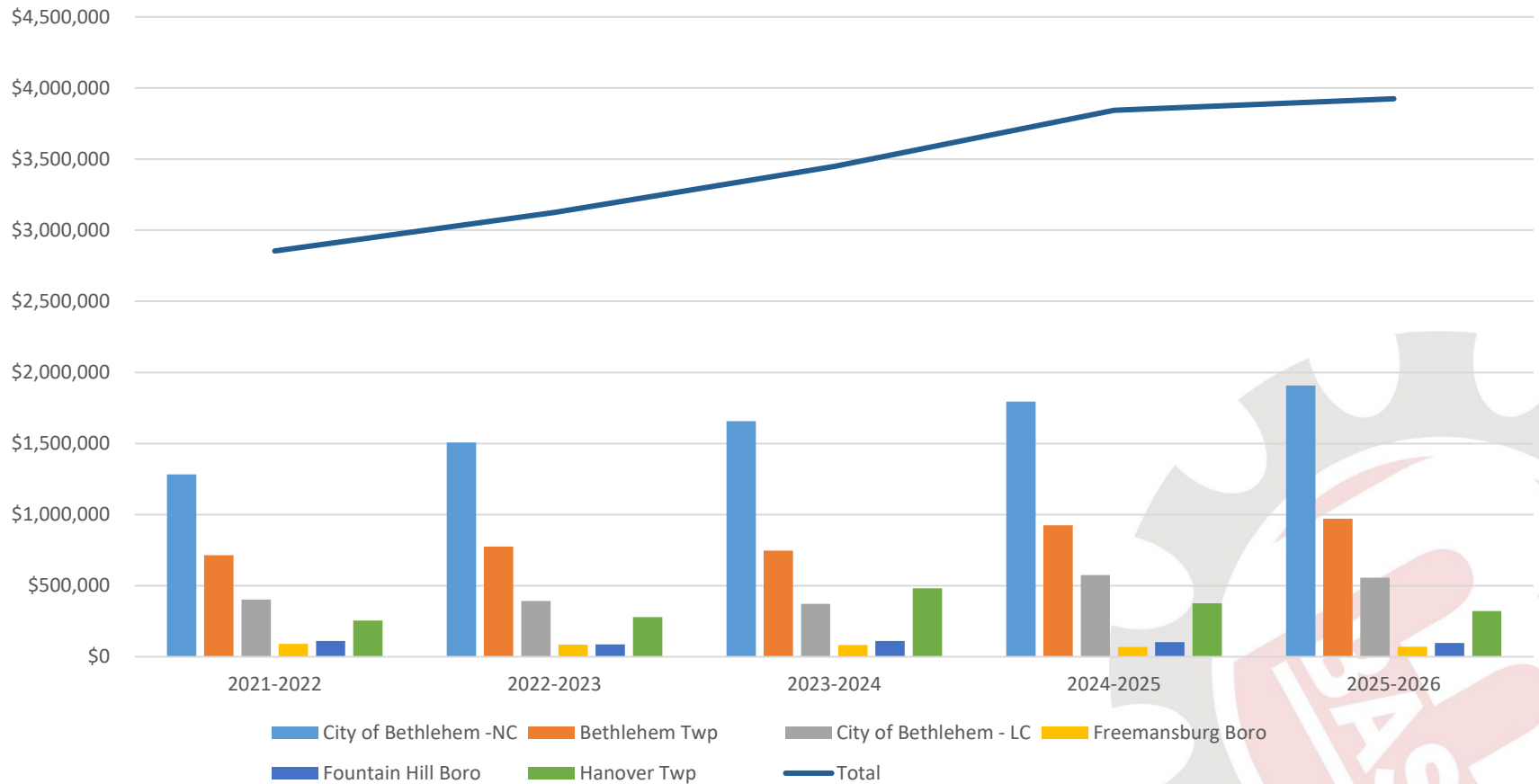


# Growth in Tax Assessed Values



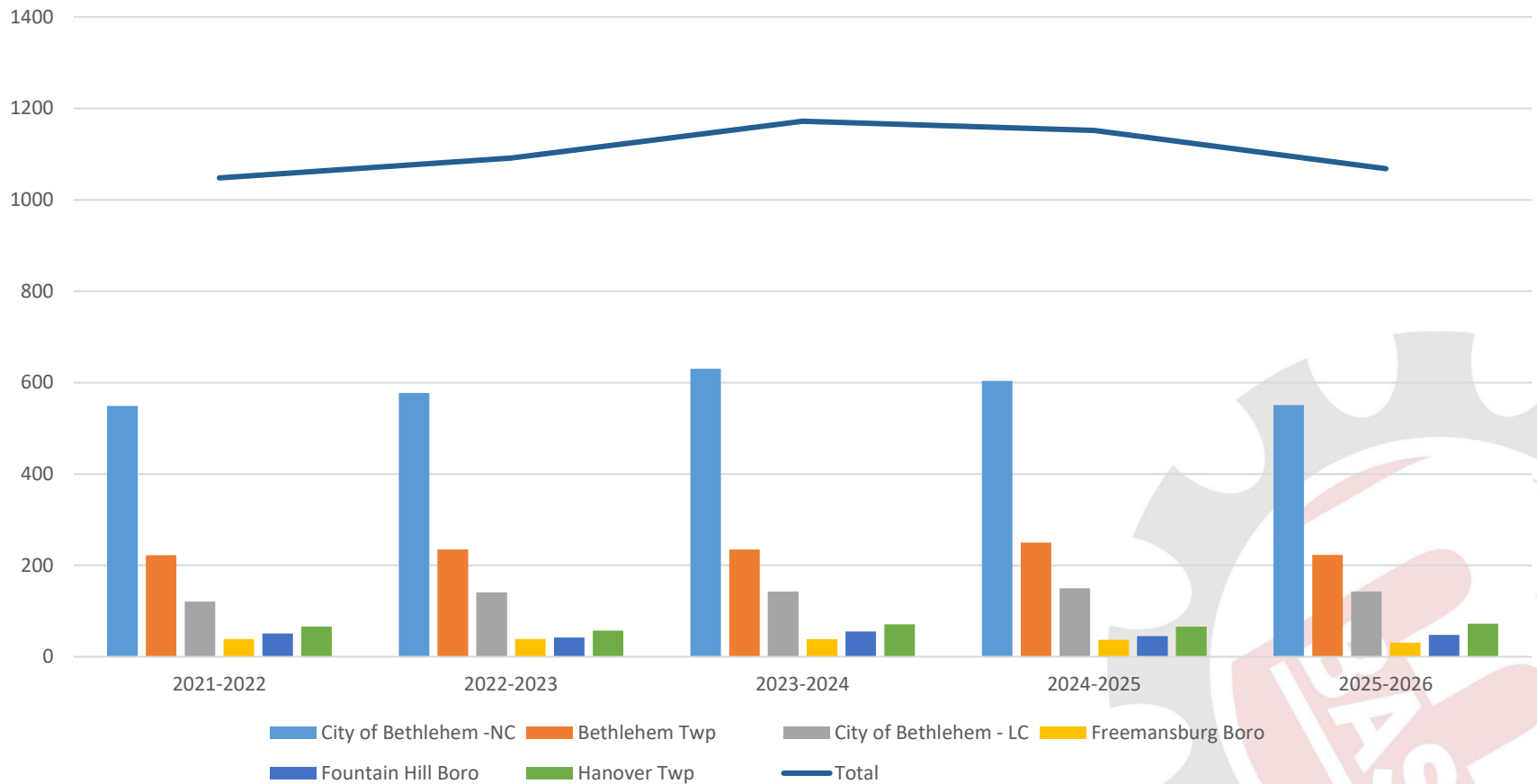
# Delinquent Real Estate Taxes

Face Amount Turned over to County

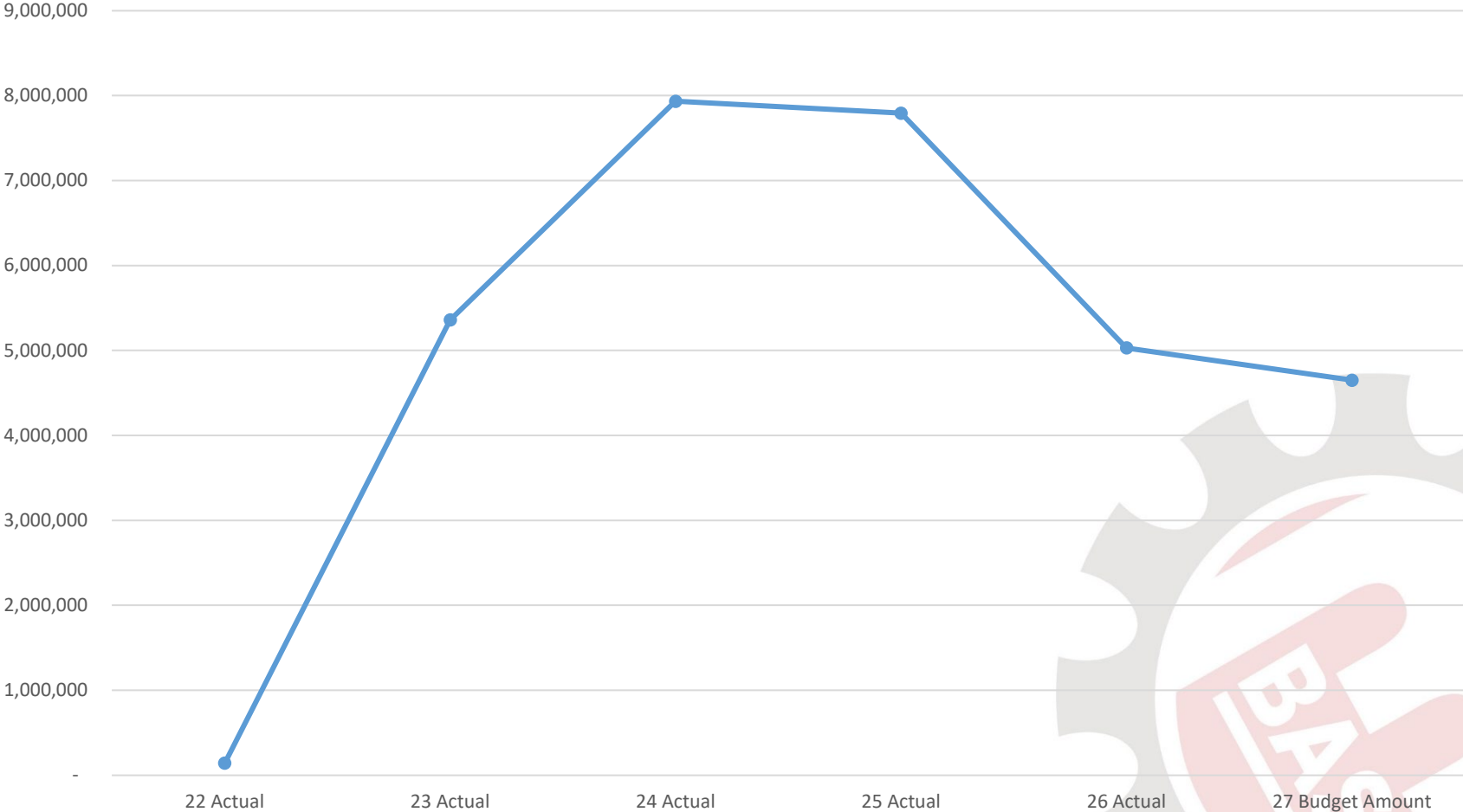


# Delinquent Real Estate Taxes

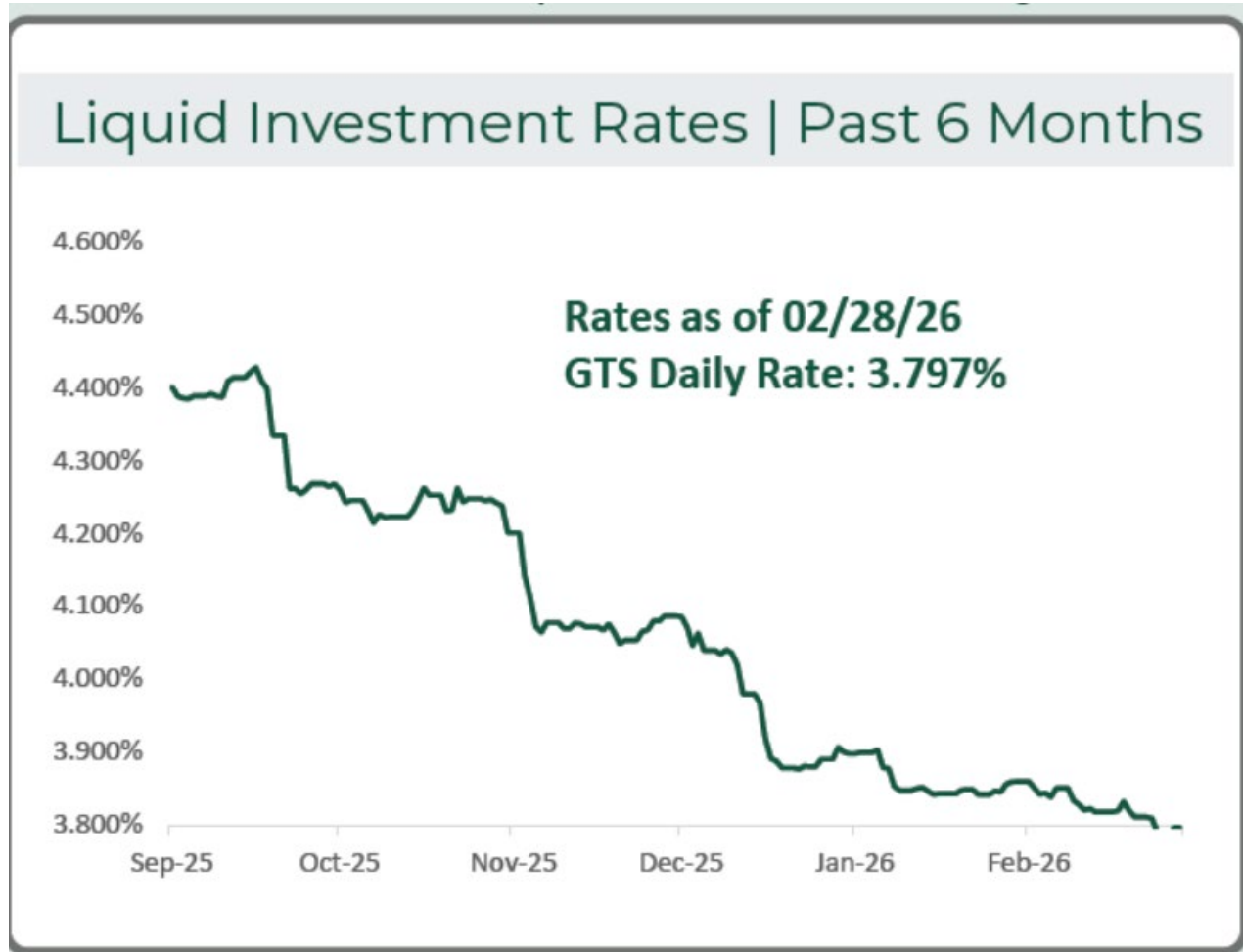
Number of Parcels Turned Over to County



# Interest on Investments



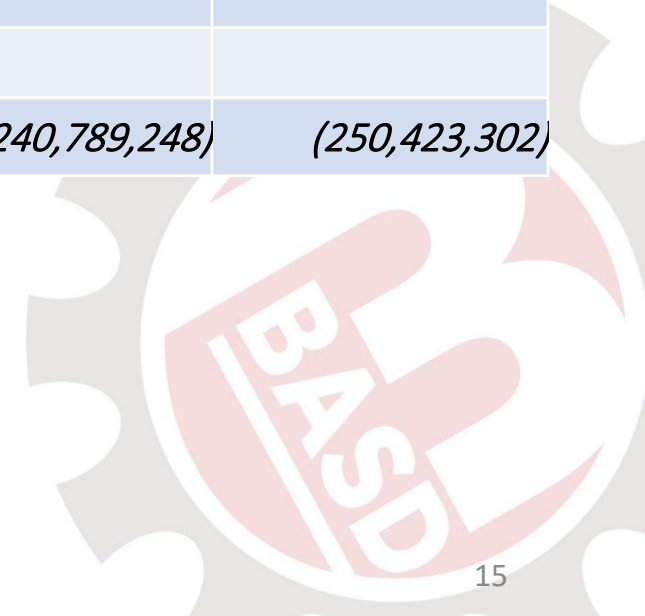
# Investment Rates



# Local Revenue

	2023-2024 Actual	2024-2025 Actual	2025-2026 Enacted Budget	2026-2027 Preliminary Budget
Real Estate Taxes (current and delinquent)	(186,751,808)	(193,972,975)	(202,090,769)	(210,316,846)
EIT/ Act 511 School District Taxes	(29,580,151)	(30,061,832)	(29,040,441)	(29,440,141)
All Other Local – Interest, Donations, etc.	(16,173,776)	(15,352,886)	(9,658,038)	(10,666,316)
<b>Local Sources</b>	<i>(232,505,735)</i>	<i>(239,387,694)</i>	<i>(240,789,248)</i>	<i>(250,423,302)</i>

\*Assuming 3.5% increase in millage



# State Revenue



# *Governor's Proposed Budget*

<b>Basic Education Funding</b>	<ul style="list-style-type: none"><li>• \$50MM increase in BEF</li></ul>
<b>Special Education Funding</b>	<ul style="list-style-type: none"><li>• \$50MM increase to SEF</li></ul>
<b>Adequacy/Equity Funding</b>	<ul style="list-style-type: none"><li>• \$565MM increase to adequacy/equity</li></ul>
<b>Cyber Charter</b>	<ul style="list-style-type: none"><li>• Increase facility cost deduction from 60% to 80%</li></ul>

# *Governor's Proposed Budget*

## **School Security and Mental Health**

- \$111MM – \$11MM increase from FY26

## **Facility Improvements**

- \$125MM – \$25MM to be used for Solar for Schools Grant

## **Student Teacher Stipends**

- \$35MM – \$5MM increase from FY26

## **Student Nutrition**

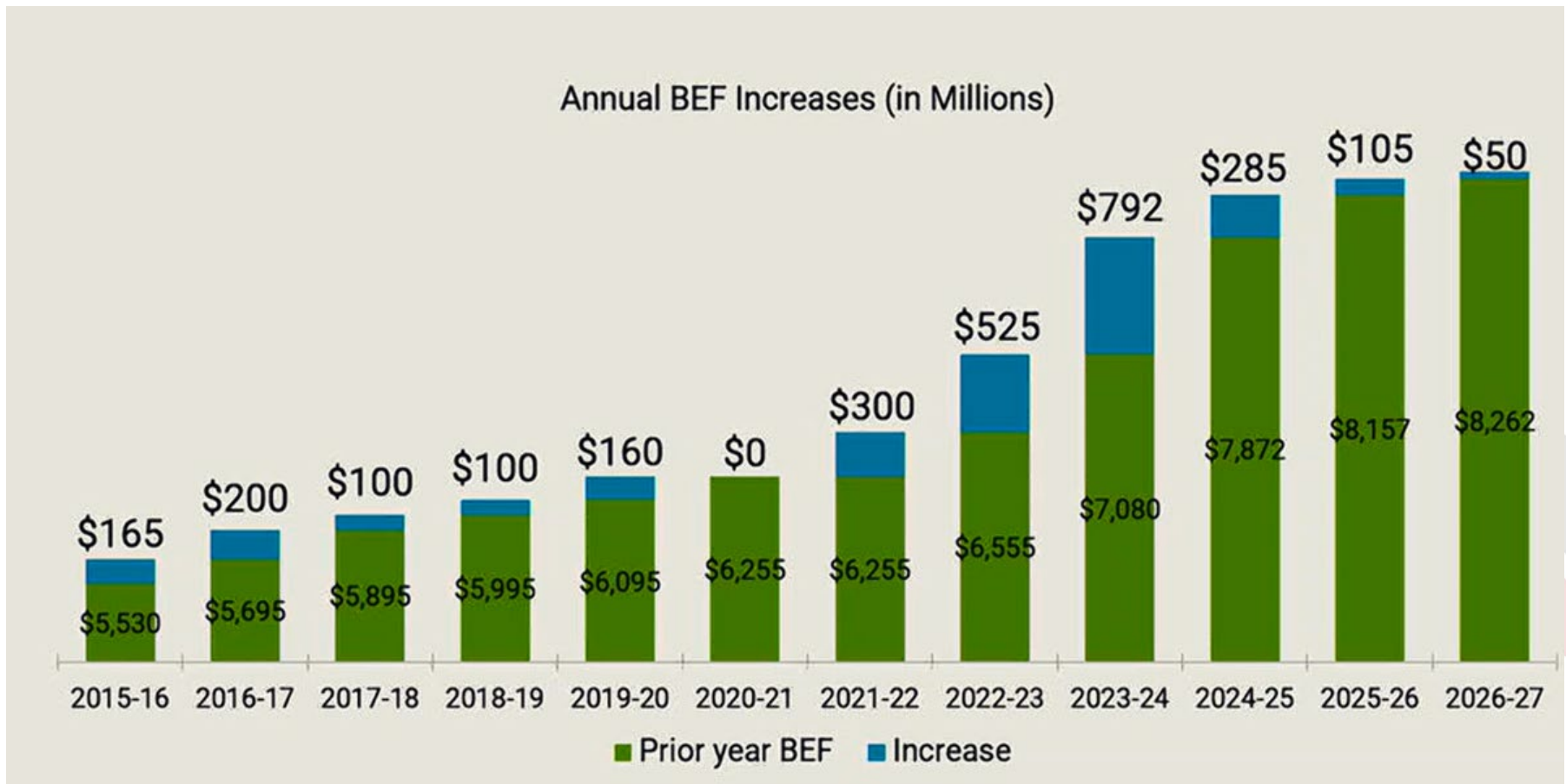
- Continuing universal free breakfast and free lunch for reduced price students

# *What it means for BASD*

	2025-2026 Estimate	2026-2027 Governor's Proposal	Change from PY
Basic Education Funding	56,216,191	56,656,025	439,834
RTL including Adequacy Investment	10,801,424	15,303,143	4,501,720
Special Education Funding	10,244,769	10,557,049	312,280

*Up to \$5,253,834 in new funding*

# Basic Education Funding (BEF)



Source: PSBA

# IFO Long-Term Budget Outlook

Excluding new revenues proposed in the Executive Budget, the FY 2025-26 underlying structural deficit of \$3.9 billion is projected to expand to \$8.4 billion by FY 2029-30

## General Fund Deficit Comparison

	Dollar Amounts (billions)					Growth Rates				
	25-26	26-27	27-28	28-29	29-30	26-27	27-28	28-29	29-30	
<b>Baseline Executive Budget</b>										
Net Revenues	\$46.33	\$46.80	\$48.27	\$49.71	\$51.21	1.0%	3.1%	3.0%	3.0%	
Expenditures	<u>-50.54</u>	<u>-53.49</u>	<u>-54.07</u>	<u>-54.52</u>	<u>-55.00</u>	5.8%	1.1%	0.8%	0.9%	
<b>Deficit</b>	<b>-4.21</b>	<b>-6.69</b>	<b>-5.80</b>	<b>-4.81</b>	<b>-3.79</b>					
General Fund End Balance	0.00	--	--	--	--					
Rainy Day Fund End Balance	7.80	1.16	--	--	--					
<b>Impact of Policy Initiatives</b>										
1 Regulate Skill Games		0.77	2.05	2.07	2.11					
2 Other Tax Revenue		1.11	1.11	1.24	1.23					
3 Spending Policies (see note)		<u>0.23</u>	<u>0.40</u>	<u>0.42</u>	<u>0.43</u>					
<b>Deficit w/ Policy</b>		<b>-4.58</b>	<b>-2.24</b>	<b>-1.08</b>	<b>-0.03</b>					
<b>Baseline IFO</b>										
Net Revenues	46.62	46.78	47.69	48.94	50.29	0.3%	1.9%	2.6%	2.7%	
Expenditures	<u>-50.54</u>	<u>-53.49</u>	<u>-55.38</u>	<u>-57.03</u>	<u>-58.64</u>	5.8%	3.5%	3.0%	2.8%	
<b>Deficit</b>	<b>-3.93</b>	<b>-6.71</b>	<b>-7.69</b>	<b>-8.08</b>	<b>-8.36</b>					

Note: Net Revenues include refunds and prior year lapses and are reduced for the \$115 million cigarette tax transfer to the Tobacco Settlement Fund in all years. IFO Net Revenues use refunds and lapses from the Executive Budget. The Spending Policies adjustment reflects proposed changes to spending (e.g., Human Services program savings from a higher minimum wage and the cost of additional state troopers).

Source: FY 2026-27 Executive Budget and IFO Five-Year Budget Outlook (Nov. 2025).

# IFO Budget Analysis

Based on the 2026-27 Governor's Executive Budget, the [IFO projects](#) a \$6.7 billion structural deficit (no new policies, normal economic conditions) for fiscal year (FY) 2026-27.

## Impact of Revenue Proposals on Budget Deficit

	25-26	26-27	27-28	28-29	29-30	30-31
<b>Baseline IFO</b>						
Net Revenues	\$46.62	\$46.78	\$47.69	\$48.94	\$50.29	\$51.66
Expenditures	<u>-50.54</u>	<u>-53.49</u>	<u>-55.38</u>	<u>-57.03</u>	<u>-58.64</u>	<u>-60.20</u>
<b>Deficit</b>	<b>-3.93</b>	<b>-6.71</b>	<b>-7.69</b>	<b>-8.08</b>	<b>-8.36</b>	<b>-8.54</b>
General Fund End Balance	0.26	--	--	--	--	--
Rainy Day Fund End Balance	7.83	1.44	--	--	--	--
<b>Impact of Revenue Proposals</b>						
1 Regulate Skill Games		0.49	1.09	1.15	1.17	1.19
2 Recreational Marijuana		0.14	0.28	0.41	0.42	0.43
3 Combined Reporting		0.00	0.44	0.43	0.45	0.42
4 Minimum Wage		0.03	0.05	0.05	0.05	0.05
5 Sales Tax Transfer to PTF		<u>0.00</u>	<u>-0.31</u>	<u>-0.32</u>	<u>-0.33</u>	<u>-0.34</u>
<b>Net General Fund Impact</b>		<b>0.65</b>	<b>1.54</b>	<b>1.71</b>	<b>1.76</b>	<b>1.76</b>
<b>Deficit with Policy</b>		<b>-\$6.06</b>	<b>-\$6.15</b>	<b>-\$6.37</b>	<b>-\$6.60</b>	<b>-\$6.78</b>

Note: Billions of dollars. Net Revenues include refunds and prior year lapses from the Executive Budget and are reduced for the \$115 million cigarette tax transfer to the Tobacco Settlement Fund in all years.

Source: FY 2026-27 Executive Budget, IFO Fiscal Outlook (Nov 2025) and IFO Mid-Year Revenue Update (Jan 2026).

# State Revenue

	2023-2024 Actual	2024-2025 Actual	2025-2026 Enacted Budget	2026-2027 Preliminary Budget
Basic Education Funding	(52,041,018)	(55,329,288)	(56,216,191)	(56,656,025)
Special Education Funding	(9,428,940)	(10,222,776)	(10,244,769)	(10,557,049)
Transportation Subsidy	(2,396,371)	(2,426,317)	(2,396,372)	(2,396,372)
RTL – Adequacy		(4,501,971)	(4,501,720)	(2,250,000)
RTL - Foundation	(1,797,733)	(1,797,733)	(6,299,704)	(10,801,424)
State Reimbursement of Employee Benefits	(25,746,369)	(27,157,266)	(28,795,294)	(29,560,526)
All Other State	(14,556,808)	(11,391,446)	(12,216,573)	(12,713,734)
<b>State Sources</b>	<b>(104,169,506)</b>	<b>(113,559,844)</b>	<b>(120,670,623)</b>	<b>(124,935,133)</b>

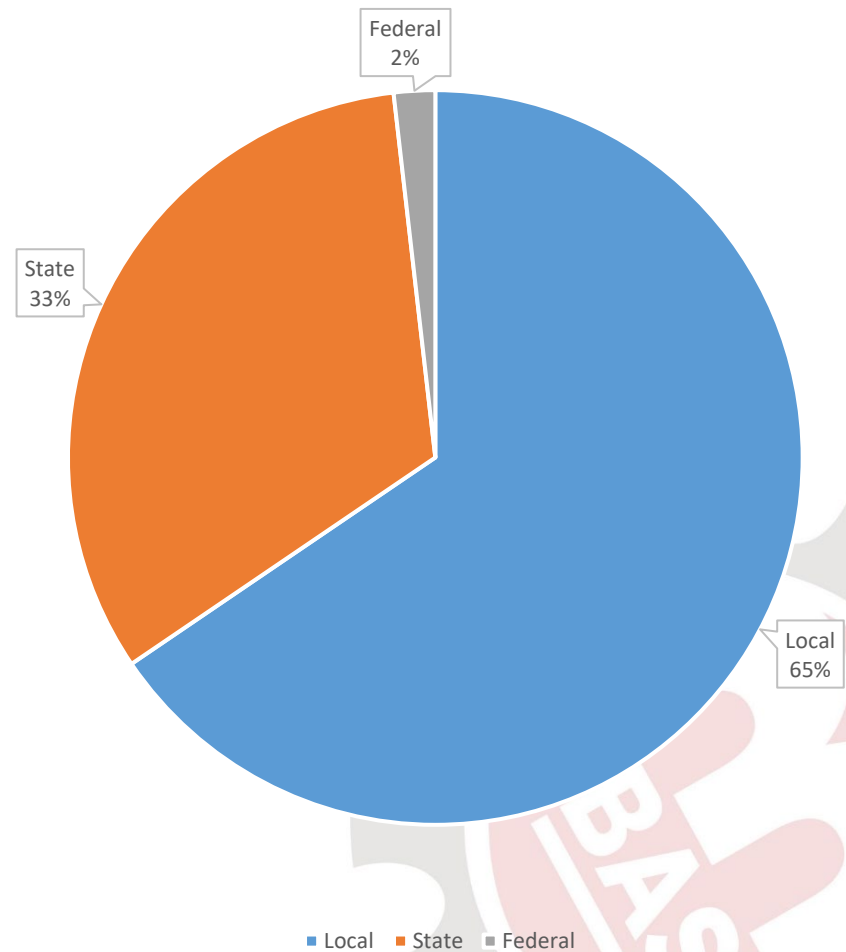
\*Assumes 100% of BEF and SEF. 50% of Adequacy

# ***Federal Revenue (recurring)***

	<b>2023-2024 Actual</b>	<b>2024-2025 Actual</b>	<b>2025-2026 Enacted Budget</b>	<b>2026-2027 Preliminary Budget</b>
TITLE I	(4,945,320)	(4,598,143)	(5,673,293)	(4,586,770)
TITLE II	(472,259)	(549,057)	(563,337)	(452,530)
TITLE III	(189,607)	(234,294)	(211,759)	(208,244)
TITLE IV	(422,047)	(306,433)	(585,325)	(592,284)
FAMILY CENTER GRANT	(124,095)	(124,095)	(180,202)	(124,095)
SCHL BASED ACCESS PGM	(791,890)	(756,937)	(908,000)	(908,000)
All Other Federal	(646,012)	(286,804)	(227,665)	(75,000)
<b>Federal Sources</b>	<b><i>(7,591,230)</i></b>	<b><i>(6,855,764)</i></b>	<b><i>(8,349,581)</i></b>	<b><i>(6,946,923)</i></b>

# Sources of Revenue

Revenue Source	2026-2027 Preliminary Budget
Local	250,423,302
State	124,935,133
Federal	6,946,923
Other	889,117
<b>Total</b>	<b>383,194,475</b>



# Preliminary Budget vs. Projections

Revenue Source	2026-2027 <u>Baseline</u> Projections with no tax increase	2026-2027 Preliminary Budget	Budget vs. Projection
Local	244,736,765	250,423,302	5,686,537
State	123,976,948	124,935,133	958,185
Federal	5,972,661	6,946,923	974,262
Other	889,117	889,117	-
<b>Total</b>	<b>375,575,491</b>	<b>383,194,475</b>	<b>7,618,984</b>

# Expenses

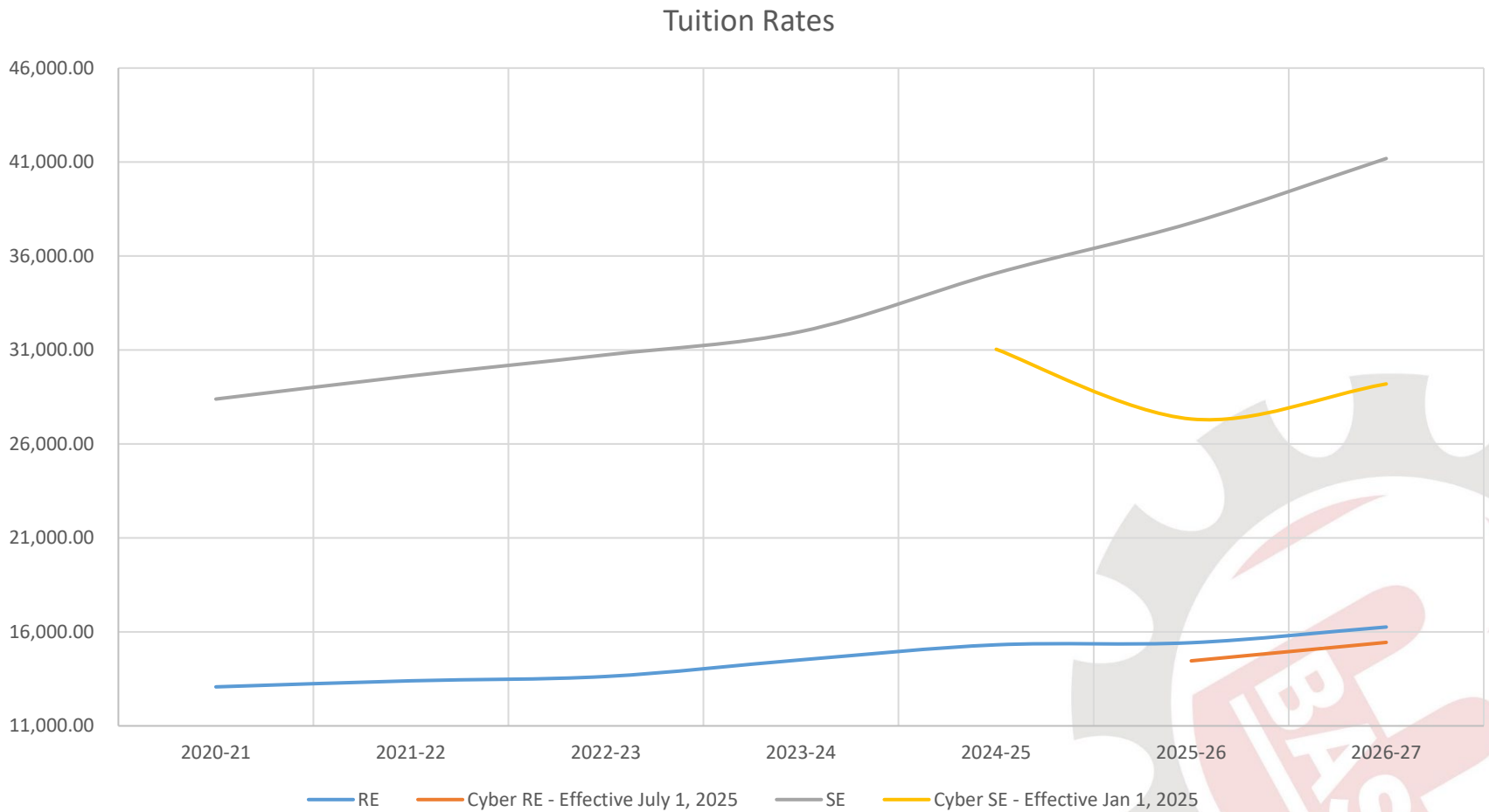
March 30, 2026



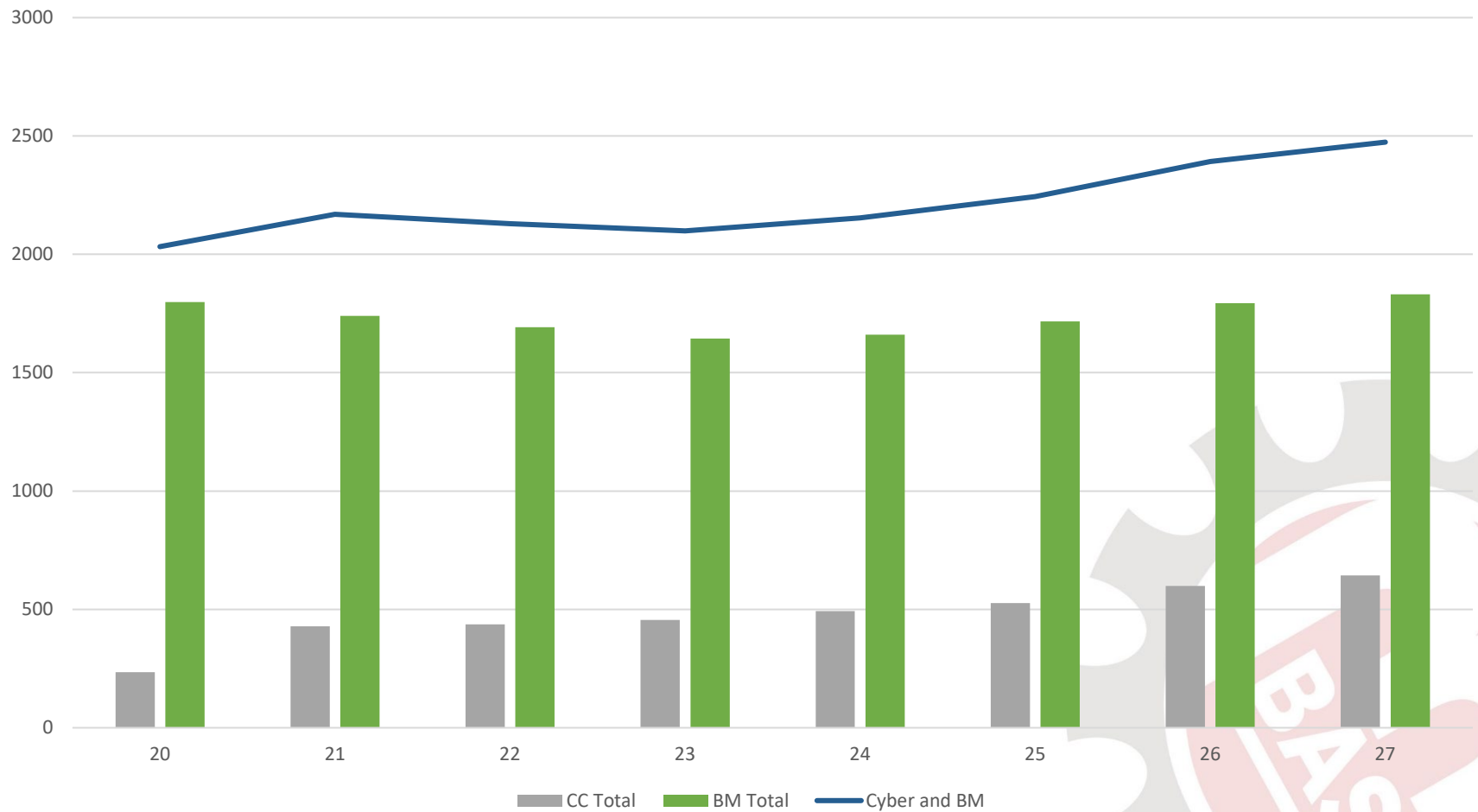
# Primary Cost Drivers

- Salaries increased \$5.5MM (3.9%)
- Medical and Rx increased \$5.2MM (15%)
- Student Tuition expense increased \$4.9MM (7.5%)
- Tech Supplies increased \$2.1MM (32%)
- Debt Service increased \$1.4MM (5.6%)

# Tuition to PA Charter Schools



# Charter School Enrollment Trends



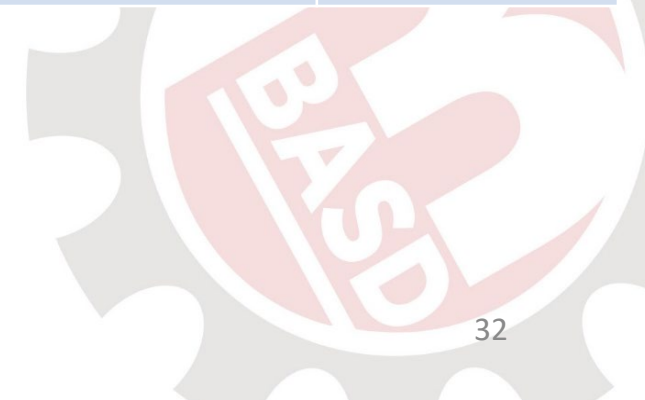
March 30, 2026

# Expense Summary

Expense Category	2023-2024 Actual	2024-2025 Actual	2025-2026 Enacted Budget	2026-2027 Preliminary Budget
Salaries	125,458,116	134,114,871	138,753,689	144,233,107
Employee Benefits	80,892,986	87,181,078	94,627,491	101,276,077
Purchased Professional & Technical Services	10,356,597	9,639,415	9,706,608	9,682,696
IU Services	15,126,600	15,803,560	15,895,481	16,750,305
Purchased Property Services	2,966,605	2,858,096	4,741,195	4,854,891
Tuition to PA Charter Schools	37,944,409	42,271,250	46,511,243	50,006,169
All Other Tuition and Purchased Services	15,549,486	15,865,542	16,174,149	18,022,219
Supplies	14,753,508	14,208,272	15,654,259	17,508,002
Property	4,271,261	2,706,245	1,497,700	2,326,000
Debt Service	23,727,130	24,850,301	26,080,656	27,541,995
Other Objects	694,823	444,543	1,601,880	2,738,939
Other Financing Uses	10,000,000	-	2,000,000	-
<b>Total Expenditures</b>	<b>341,741,519</b>	<b>349,943,171</b>	<b>373,244,351</b>	<b>394,940,400</b>

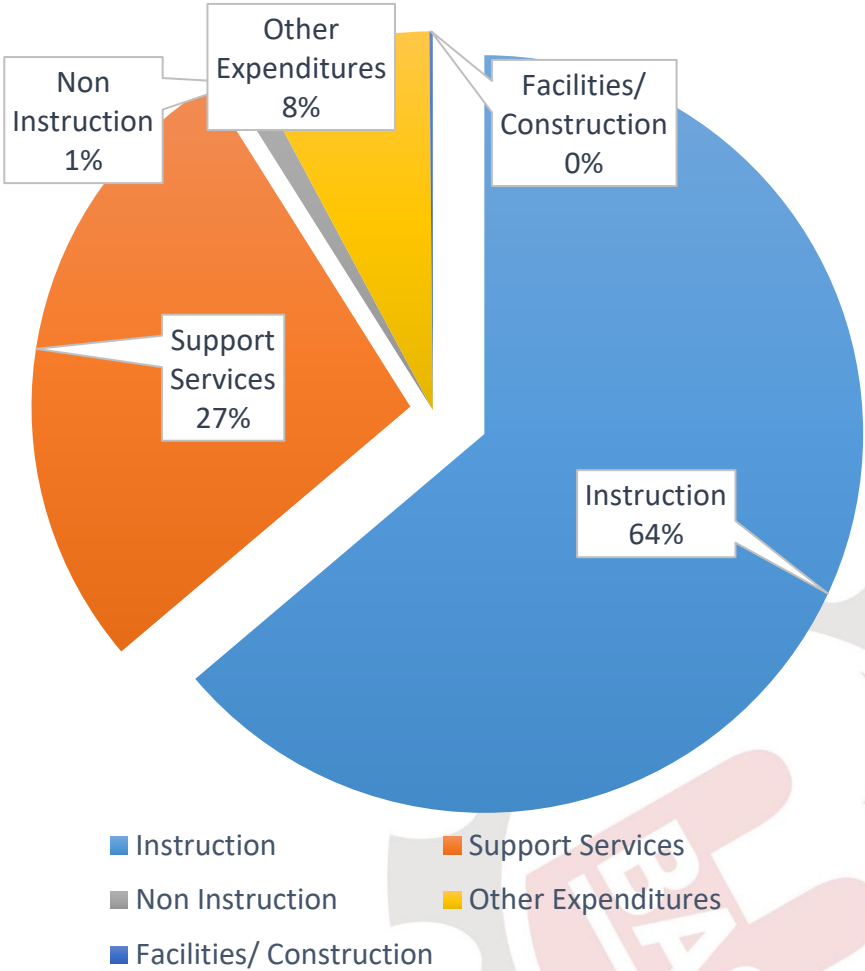
# *Expense by Function*

Expense Category	2023-2024 Actual	2024-2025 Actual	2025-2026 Enacted Budget	2026-2027 Preliminary Budget
Instruction	209,066,292	223,578,427	236,953,853	252,033,085
Support Services	91,995,352	96,745,291	102,288,719	107,579,120
Non Instruction	4,570,697	4,708,215	4,319,954	4,478,962
Facilities / Construction	155,013	60,405	-	571,617
Other Expenditures	23,857,693	24,987,367	29,681,825	30,277,616



# Expense by Function

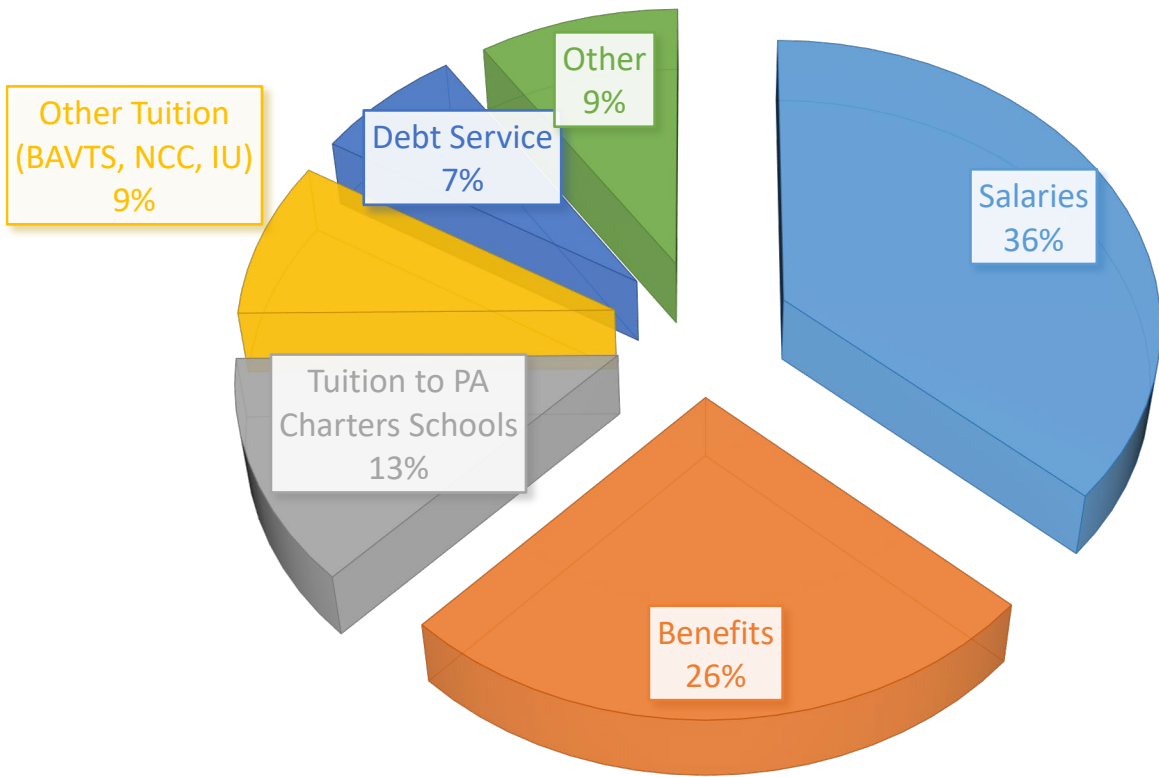
Expense Category	2026-2027 Preliminary Budget
Instruction	252,033,085
Support Services	107,579,120
Non Instruction	4,478,962
Facilities/ Construction	571,617
Other Expenditures	30,277,616



# Preliminary Budget vs. Projections

Expense Category	2026-2027 Baseline Projections	2026-2027 Preliminary Budget	Budget vs. Projections
Salaries	145,039,109	144,233,107	-806,002
Employee Benefits	100,804,515	101,276,077	471,562
Purchased Professional & Technical Services	10,096,553	9,682,696	-413,857
IU Services	16,451,823	16,750,305	298,482
Purchased Property Services	4,808,759	4,854,891	46,132
Tuition to PA Charter Schools	49,534,474	50,006,169	471,695
All Other Tuition and Purchased Services	16,863,149	18,022,219	1,159,070
Supplies	16,350,094	17,508,002	1,157,908
Property	1,628,923	2,326,000	697,077
Debt Service	26,492,393	27,541,995	1,049,602
Other Objects	1,606,352	2,738,939	1,132,587
Other Financing Uses	2,000,000	-	-2,000,000
<b>Total Expenditures</b>	<b>391,676,144</b>	<b>394,940,400</b>	<b>3,264,256</b>

## 2026-27 PRELIMINARY BUDGET



### Cost Drivers

Salaries	144,233,107
Benefits	101,276,077
Tuition to PA Charter Schools	50,006,169
Other Tuition (BAVTS, NCC, IU)	34,772,524
Debt Service	27,541,995
Other	37,110,528



# ***Preliminary Budget Summary***

Revenue            -383,194,475

Expense            394,940,400

GAP                    11,745,925



# *Discussion*



# General Fund - Fund Balance

	Fund Balance June 30, 2024	Fund Balance June 30, 2025	Increase (Decrease)
General Fund - Unassigned	16,637,562	20,059,019	3,421,457
General Fund - Assigned	10,486,933	14,225,717	3,738,784
*PSERS Rate Stabilization	4,000,000	4,000,000	-
*Balance CY Budget	6,486,933	5,725,717	(761,216)
*BAVTS Expansion Project	-	4,500,000	4,500,000
General Fund - Committed	44,000,000	48,500,000	4,500,000
General Fund - (Non-spendable and Restricted)	1,227,371	1,278,475	51,104
<b><u>Total General Fund Balance</u></b>	<b><u>72,351,866</u></b>	<b><u>84,063,211</u></b>	<b><u>11,711,345</u></b>
Capital Reserve - (Restricted)	20,175,461	16,608,944	(3,566,517)