



Budget Update

April 13, 2026

2025-2026 May Workshop Budget Forecast - No Tax Change

Scenario One

- Status quo millage
- Modest increase in state funding
- 3% increase in human resource costs
- 4% in all other costs
- 10% increase in health care costs
- Currently scheduled debt service



Year	Projected Revenues	Projected Expenditures	Surplus/Deficit	Remaining Fund Balance
2026	\$50,130,818	\$50,130,809	\$9	\$11,602,948
2027	\$50,620,945	\$51,899,980	-\$1,279,035	\$10,323,913
2028	\$51,123,892	\$53,774,789	-\$2,650,897	\$7,673,016
2029	\$51,640,026	\$55,763,318	-\$4,123,292	\$3,549,723
2030	\$52,169,721	\$57,874,368	-\$5,704,647	-\$2,154,924



2025-2026 May Workshop Budget Forecast - 1 mill tax decrease

Year	Projected Revenues	Projected Expenditures	Surplus/Deficit	Remaining Fund Balance
2026	\$49,348,100	\$50,130,809	-\$782,709	\$10,820,229
2027	\$49,838,226	\$51,899,980	-\$2,061,754	\$8,758,476
2028	\$50,341,174	\$53,774,789	-\$3,433,615	\$5,324,861
2029	\$50,857,307	\$55,763,318	-\$4,906,011	\$418,850
2030	\$51,387,002	\$57,874,368	-\$6,487,366	-\$6,068,516

Scenario Two

- Decrease 1 mil
- Modest increase in state funding
- 3% increase in human resource costs
- 4% increase in all other costs
- 10% increase in health care costs
- Currently scheduled debt service

Act 1 Adjusted Index History for Lehigh

26-27	25-26	24-25	23-24	22-23	21-22	20-21	19-20	18-19	17-18	16-17	15-16
4.80%	5.60%	7.40%	5.70%	4.70%	4.20%	3.60%	3.20%	3.30%	3.40%	3.30%	2.60%

Budget Forecast

	BUDGET 2026	REVENUE / EXPENDITURE PROJECTIONS					
		2027		2028	2029	2030	2031
REVENUE							
Local	\$25,160,376	\$24,508,688	(2.6%)	\$24,508,688	\$24,508,688	\$24,508,688	\$24,508,688
State	23,752,786	25,310,230	6.6%	25,310,230	25,310,230	25,310,230	25,310,230
Federal	843,000	760,935	(9.7%)	760,935	760,935	760,935	760,935
TOTAL REVENUE	\$49,756,162	\$50,579,853	1.7%	\$50,579,853	\$50,579,853	\$50,579,853	\$50,579,853
EXPENDITURES							
Salary and Benefit Costs	\$31,825,419	\$32,550,862	2.3%	\$33,956,897	\$35,391,173	\$36,854,820	\$37,554,820
Other	18,285,403	19,799,216	8.3%	19,799,216	19,799,216	19,799,216	19,799,216
TOTAL EXPENDITURES	\$50,110,822	\$52,350,079	4.5%	\$53,756,113	\$55,190,389	\$56,654,036	\$57,354,036
SURPLUS / DEFICIT	(\$354,660)	(\$1,770,226)		(\$3,176,261)	(\$4,610,536)	(\$6,074,183)	(\$6,774,183)
BEGINNING FUND BALANCE	\$11,602,939	\$11,248,279		\$9,478,053	\$6,301,792	\$1,691,256	(\$4,382,927)
PROJECTED YEAR END BALANCE	\$11,248,279	\$9,478,053		\$6,301,792	\$1,691,256	(\$4,382,927)	(\$11,157,111)

2025- 2026 to 2026- 2027 Budget Comparis on

	FY2026 Budget	FY2027 Projected	Percent Change
Local Revenue			
Current Real Estate Taxes	\$18,269,013	\$18,083,091	-1.02%
Current Act 511 Earned Income Taxes	\$2,300,000	\$2,400,000	4.35%
Current Act 511 Real Estate Transfer Taxes	\$305,000	\$365,000	19.67%
Delinquent Real Estate Taxes	\$750,000	\$650,000	-13.33%
All Other Local Revenue	\$3,536,363	\$3,010,597	-14.87%
Total Local Revenue	\$25,160,376	\$24,508,688	-2.59%
State Revenue			
Basic Education Funding - Formula	\$11,547,410	\$11,615,080	0.59%
Special Education Funding	\$2,347,140	\$2,458,280	4.74%
Transportation	\$547,000	\$773,912	41.48%
State Share of Social Security and Medicare	\$645,451	\$796,735	23.44%
State Share of Retirement Contributions	\$3,442,404	\$3,643,244	5.83%
All Other State Revenue	\$5,223,981	\$6,022,980	15.31%
Total State Revenue	\$23,752,786	\$25,310,230	6.56%
Federal Revenue	\$843,000	\$760,935	-9.73%
Other Financing Sources	\$0	\$0	0.00%
Total Revenue	\$49,756,162	\$50,579,853	1.66%
Expenditure:			
Salaries	\$17,542,029	\$17,650,862	0.62%
Benefits	\$14,283,390	\$14,900,000	4.32%
Purchased Professional and Technical Services	\$4,095,065	\$7,678,698	87.51%
Purchased Property Services	\$410,789	\$480,332	16.93%
Other Purchased Services	\$7,425,566	\$5,436,896	-26.78%
Supplies	\$1,814,606	\$2,178,079	20.03%
Property	\$586,648	\$429,727	-26.75%
Other Objects	\$1,718,728	\$1,645,484	-4.26%
Other Uses of Funds	\$2,234,000	\$1,950,000	-12.71%
Total Expense	\$50,110,822	\$52,350,079	4.47%
Surplus/Deficit	-\$354,660	-\$1,770,226	

Fund Balance History

Year	Revenue Amount	Expense Amount	Yearly Surplus (Deficit)	Fund Balances Amount
2021 Actual	\$44,923,544.20	\$41,161,200.60	\$3,762,343.60	\$4,744,947.00
2022 Actual	\$47,469,284.20	\$42,703,559.70	\$4,765,724.50	\$9,444,260.46
2023 Actual	\$47,669,978.70	\$43,862,476.90	\$3,807,501.80	\$12,471,701.00
2024 Actual Includes Refunding	\$80,510,987.40	\$77,652,550.80	\$2,858,436.60	\$15,281,492.00
2025 Actual Includes Capital Transfer	\$49,066,401.00	\$54,079,525.90	-\$5,013,124.90	\$11,602,939.00
2026 Budget	\$49,756,162.00	\$50,110,821.70	-\$354,659.70	\$11,248,279.30

4 Year Expenditure Trend

Category	Actual 2024-25	Actual 2023-24	Actual 2022-23	Actual 2021-22	Percentage Increase
Personnel	\$16,987,374.08	\$15,916,751.11	\$14,950,104.06	\$14,332,387.62	18.52%
Benefits	\$14,091,713.40	\$13,208,492.97	\$12,191,749.28	\$11,688,348.38	20.56%
Charter Schools	\$3,092,400.75	\$2,822,377.96	\$2,525,626.05	\$2,731,968.24	13.19%
Special Education Costs (excl. Personnel & Benefits)	\$7,082,146.66	\$5,484,538.64	\$4,021,016.74	\$3,647,068.47	94.19%
Utilities	\$667,637.27	\$616,643.04	\$625,533.44	\$633,533.58	5.38%
Transportation	\$1,689,117.35	\$1,676,887.10	\$1,398,103.53	\$1,412,417.25	19.59%
Debt Payments – Excluded Debt Refunding	\$3,773,459.13	\$2,856,891.12	\$3,780,190.58	\$3,780,424.30	–0.18%
Other Expenditures – Excludes Capital Transfer	\$4,278,937.01	\$4,571,295.36	\$4,161,476.28	\$4,263,948.06	0.35%
Total Expenditures (Net of Refunding)	\$51,662,785.65	\$47,153,877.30	\$43,653,799.96	\$42,490,095.90	21.59%

4 Year Revenue Trends – All Local Revenues

Category	Actual 25	Actual 24	Actual 23	Actual 22
Property Taxes	\$19,150,466.46	\$19,587,844.94	\$19,180,149.79	\$19,686,082.37
Per Capita Taxes	\$121,902.01	\$112,120.26	\$104,208.56	\$105,440.03
Earned Income Taxes	\$2,461,560.44	\$2,364,338.97	\$2,291,239.54	\$2,077,200.07
Real Estate Transfer Taxes	\$395,956.47	\$328,812.57	\$312,425.24	\$454,831.33
Interest Income	\$790,592.25	\$1,001,084.79	\$560,782.88	\$21,256.64
Other Local Revenue	\$2,049,324.17	\$2,050,604.73	\$2,309,752.65	\$2,315,093.72
Total Local Revenue	\$24,969,801.80	\$25,444,806.26	\$24,758,558.66	\$24,659,904.16

Property Tax Trend: Comparing the earliest year (Actual 22) to the most recent year (Actual 25), total property tax revenue has decreased by **\$535,615** (a decrease of **2.7%**) .

4 Year Revenue Trends – All State

Category	Actual 25	Actual 24	Actual 23	Actual 22
Basic Education Funding	\$11,485,679.66	\$11,201,877.40	\$10,797,603.52	\$10,274,607.52
Special Education Funding	\$2,498,981.39	\$2,245,029.57	\$2,128,397.76	\$1,943,950.30
Charter School Funding	\$235,068.43	\$0.00	\$0.00	\$0.00
Transportation	\$773,911.83	\$525,707.43	\$489,895.81	\$451,809.63
Rental & Sinking Fund Reimbursement	\$956,459.24	\$824,078.99	\$960,646.52	\$969,236.86
Accountability Block Grant	\$374,159.00	\$382,408.22	\$374,159.00	\$374,159.00
Adequacy Funding	\$849,266.87	\$0.00	\$0.00	\$0.00
Retirement Reimbursement	\$3,503,118.76	\$3,398,815.05	\$3,345,719.39	\$2,935,239.15
Social Security Reimbursement	\$766,091.21	\$688,036.07	\$0.00	\$0.00
Other State Revenues	\$2,252,953.92	\$1,801,296.41	\$1,748,089.80	\$1,454,831.33
Total State REvenues	\$23,695,690.31	\$21,067,249.14	\$19,844,511.80	\$18,403,833.79

Social Security and Retirement Reimbursement: Increases only based on increased costs to Lehighton. Over the tracked periods, the combined cost to the District for just these two state-mandated payroll items increased by **\$1.29 million over the 4 year period**. While the state revenue trend looks positive because it is going up, it is entirely offset by, corresponding

3 Year Revenue Trends – Federal

Category	Actual 25	Actual 24	Actual 23	Actual 22
Title Funds	\$753,303.75	\$821,814.63	\$748,410.07	\$766,299.12
ESSER Funds	\$91,919.66	\$2,689,518.78	\$2,127,562.95	\$2,653,745.75
Other Federal Revenues	\$7,631.18	\$24,234.44	\$28,858.70	\$50,280.36
Total Federal Revenue	\$852,854.59	\$3,535,567.85	\$2,904,831.72	\$3,470,325.23

From a budgetary perspective, the loss of ESSER funds represents a year-over-year revenue hole of **\$2 million in 2024-2025**. The District essentially lost 5.2% of its entire operating budget in a single year.

Combined View of Revenues versus Expenditures (Excludes Debt Refunding & Capital Transfer)

Year	Revenues	Expenditures	Surplus/(Deficit)
2025	\$49,594,016.70	\$51,662,785.65	-\$2,068,768.95
2024	\$50,046,107.12	\$47,153,877.30	\$2,892,229.82
2023	\$47,644,784.57	\$43,653,799.96	\$3,990,984.61
2022	\$46,563,928.41	\$42,490,095.90	\$4,073,832.51

Act 1 Index

- The Act 1 index is used to determine the maximum tax increases for each tax the school district levies (without PDE exception or voter approval) .
- The base index is calculated by averaging the percent increases in the Pennsylvania statewide average weekly wage and the Federal employment cost index for elementary/secondary schools.

Lehighton School District Act 1 Index History versus Property Tax Increases

Column 1	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Act 1 Index	5.60%	7.40%	5.70%	4.70%	4.20%	3.60%	3.20%	3.30%	3.40%	3.30%
Millage Rate	51.86	52.7664	52.7664	52.7664	52.7664	50.6396	48.88	47.88	47.88	47.88
Change in Tax Rate	-1.72%	0.00%	0.00%	0.00%	4.20%	3.60%	2.09%	0.00%	0.00%	

Average Act 1 Index: The average Act 1 Index over the nine years was **4.57%**.

Average Tax Rate Change: The average tax rate change implemented by the district was **0.91%**.

Act 1 Index Scenario – 4.8%

Proposed Tax Increase	Property Value Scenario	Current Tax Bill	Annual Increase	New Tax Bill	Monthly Increase
4.80%	Below Median (\$31,500)	\$1,633.59	\$78.41	\$1,712.00	\$6.53 / mo
4.80%	Median (\$46,500)	\$2,411.49	\$115.75	\$2,527.24	\$9.65 / mo
4.80%	Above Median (\$61,500)	\$3,189.39	\$153.09	\$3,342.48	\$12.76 / mo

Act 1 Index Scenario – 3.8%

Proposed Tax Increase	Property Value Scenario	Current Tax Bill	Annual Increase	New Tax Bill	Monthly Increase
3.80%	Below Median (\$31,500)	\$1,633.59	\$62.08	\$1,695.67	\$5.17 / mo
3.80%	Median (\$46,500)	\$2,411.49	\$91.64	\$2,503.13	\$7.64 / mo
3.80%	Above Median (\$61,500)	\$3,189.39	\$121.20	\$3,310.59	\$10.10 / mo

Act 1 Index Scenario - 2.8%

Proposed Tax Increase	Property Value Scenario	Current Tax Bill	Annual Increase	New Tax Bill	Monthly Increase
2.80%	Below Median (\$31,500)	\$1,633.59	\$45.74	\$1,679.33	\$3.81 / mo
2.80%	Median (\$46,500)	\$2,411.49	\$67.52	\$2,479.01	\$5.63 / mo
2.80%	Above Median (\$61,500)	\$3,189.39	\$89.30	\$3,278.69	\$7.44 / mo

Act 1 Index Scenario – 1.8%

Proposed Tax Increase	Property Value Scenario	Current Tax Bill	Annual Increase	New Tax Bill	Monthly Increase
1.80%	Below Median (\$31,500)	\$1,633.59	\$29.41	\$1,663.00	\$2.45 / mo
1.80%	Median (\$46,500)	\$2,411.49	\$43.41	\$2,454.90	\$3.62 / mo
1.80%	Above Median (\$61,500)	\$3,189.39	\$57.41	\$3,246.80	\$4.78 / mo