

2025 - 2026 Tentative Budget Presentation

March 18, 2025





Agenda



- Great Things
- Challenges/Description of the 2025-2026 Budget
- Budget Information
- Review of Budget Cuts
- State Aid Comparison
- Tax Impact
- What's Next . . .



Challenges of 2025-2026 Budget



- **S2 Reductions**

- Since the 2015-2016 school year, we have seen a reduction of \$7,640,418 in state aid.

- **Washington Township Has Consistently Been Over Adequacy**

- It means that, according to the state's funding formula, our district has more funding (and therefore spends more) than the calculated minimum required to provide a thorough and efficient education.
- This formula considers student enrollment, special programs, and local tax contributions. In short, the state believes we have more money than necessary to meet basic educational standards. This stands Washington Township apart from a lot of school districts that are losing state aid. A lot of other districts losing state aid are under adequacy.



Challenges of 2025-2026 Budget



- **Washington Township Is Under Local Fair Share**
 - Simply put, the State of New Jersey believes we are not taxing our residents enough. The state believes we can raise taxes overall another approximate \$12 million dollars.
- **These Two Concepts:**
 - Separate Washington Township from most other districts. We are considered “over adequacy” and “undertaxing our community”. In addition we have met with our legislators two years in a row to advocate for our district. They confirmed these concepts.



Challenges of 2025-2026 Budget



- **Projected Revenue Decreases**

- State Aid - Decrease of \$1,311,479
- Tuition - Decrease of \$50,000
- SEMI Reimbursement - Decrease of \$190,659
- Extraordinary Aid - Remaining flat but we have seen a reduction over the past several years.
- Surplus - We no longer have excess surplus. We also cannot afford to budget what we think we will have at year end (unassigned surplus)
This is a decrease of \$10,500,000 of budgeted revenue.
- All of these factors contributed to our \$11,300,000 budgetary gap



Challenges of 2025-2026 Budget



- **Projected Revenue Increases**

- Tax Levy Increase of 2% - \$1,963,459
- Student Dues and Fees
 - \$20,000 for Gate Receipts
 - \$150,000 for Pay to Play



Challenges of 2025-2026 Budget



- **Projected Revenue Issues**

- Net of our tax levy increase and state aid decrease is \$659,180.
- Loss of surplus
- Only other options is what we raise ourselves, which is limited.



Challenges of 2025-2026 Budget



- **Projected Revenue Issues**

- Loss of Surplus
 - Excess revenue and unspent appropriations
 - Significant reductions over the years to non-staff accounts leads to less unspent.
 - Key concern last year when adding back to salary and benefit line items that were initially reduced.
 - Rising costs in all areas contributes to this issue (less unspent)



Challenges of 2025-2026 Budget



- **Projected Budget Increases**

- Health Benefits
 - Medical 10%
 - Prescription 17%
 - Dental 4%
- Contractual Increases
- Tuition - 8.17% increase
- Energy - 25% Increase in Electricity
- Parts and Supplies for School Buses
- Repairs and Maintenance - Overall Price Increases
- Technology - Licensing and Other Programs



Challenges of 2025-2026 Budget



- **Other Issues**

- No capital projects are budgeted.
- No furniture replacement is budgeted.
- No equipment/technology replacement is budgeted other than student devices. (Grade 3 Only)
- We did not replenish surplus or capital reserve during the 23-24 school year.



2025-2026 Budget Information



- **Current State**

- We have managed cuts in the past by primarily looking at vacant positions, attrition, supplies, capital projects, and other resources.
- This year's budget consisted of revisiting/analyzing virtually every facet of our budget looking at each line item (over the past approximate 5 years) to develop a balanced budget.
- This budget forced us to make eliminations across the district.
- Our goal was to focus on students, student learning, educational outcomes, and safety/compliance.



2025-2026 Budget Information



- **Budget Cuts**

- Reductions in Staff and/or Time Across the Entire District
 - Certificated Staff
 - Administrative/Non-Unit
 - Support Staff
 - Administrative Support
 - We did our best to not substantially affect class size.
- Reductions in Transportation Routes
 - Combining Routes/Out of District Placements
- Lease Reduction (2% Reduction)
- Elimination of Middle School Sports, Gymnastics, Diving, and Golf
- Reduction in Co-Curriculars At All Levels
- Initial Budgets Submitted With A 20% Decrease If Possible



2025-2026 Budget Information



- **Included**

- Preschool & Kindergarten
- Curriculum Adoption
- Academies
- In house ESP and BSP Programs (formerly Ombudsman)
- Google/Chromebook transition



2025-2026 Lease Equipment/Information



- **Lease**

- Data and Assessment Resources
- Technology Infrastructure
- Elementary, High School ELA Curriculum Adoption
- High School Science Curriculum Adoption
- Buses
- Student Devices - Grade 3 only (reduced 2 grades)



State Aid



State Aid History

	<u>2025-2026</u>	<u>2024-2025</u>	<u>2023-2024</u>	<u>2022-2023</u>	<u>2021-2022</u>	<u>2020-2021</u>	<u>2019-2020</u>	<u>2018-2019</u>	<u>2017-2018</u>
Categorical Transp. Aid	\$3,760,515	\$2,909,313	\$2,909,313	\$2,909,313	\$2,909,313	\$2,909,313	\$2,909,313	\$2,909,313	\$2,909,313
Categorical Special Ed. Aid	\$8,818,648	\$7,152,534	\$5,556,586	\$5,556,586	\$5,556,586	\$5,556,586	\$5,556,586	\$5,556,586	\$4,519,182
Equalization Aid	\$28,316,272	\$32,710,025	\$32,710,025	\$34,219,738	\$34,596,635	\$36,399,809	\$37,764,814	\$38,162,410	\$38,162,410
Categorical Security Aid	\$1,509,062	\$944,104	\$944,104	\$944,104	\$944,104	\$944,104	\$944,104	\$944,104	\$747,449
Adjustment Aid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,057,379	\$2,557,135
Other Aid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$217,510
	\$42,404,497	\$43,715,976	\$42,120,028	\$43,629,741	\$44,006,638	\$45,809,812	\$47,174,817	\$48,629,792	\$49,112,999
SDA Assessment	-\$182,956	-\$182,956	-\$182,956	-\$182,956	-\$182,956	-\$182,956	-\$182,956	-\$182,956	-\$182,956
Net State Aid	\$42,221,541	\$43,533,020	\$41,937,072	\$43,446,785	\$43,823,682	\$45,626,856	\$46,991,861	\$48,446,836	\$48,930,043
Loss of State Aid	-\$1,311,479	\$1,595,948	-\$1,509,713	-\$376,897	-\$1,803,174	-\$1,365,005	-\$1,454,975	-\$483,207	-\$1,002,306
Total Loss - Past 9 Years	-\$7,710,808								



2025-2026 Recommended Tax Increase



Tax Increase Recommended	
Tax Levy	\$100,136,408
Prior Year Tax Levy	\$98,172,949
Current Year Tax Increase	\$1,963,459
Percent Increase	2.00%

The budget as presented utilizes the 2.0% tax levy increase. We do not have any other allowable adjustments or banked cap available for use at this time. We must be ready for the Governor to allow any extra measures.



2024-2025 Budget Information



Tax Impact - 2% Increase				
ASSESSED	CURRENT	PROPOSED	ANNUAL	MONTHLY
VALUE	SCHOOL TAX	SCHOOL TAX	INCREASE	INCREASE
\$150,000	\$3,126.38	\$3,189.66	\$63.28	\$5.27
\$200,000	\$4,168.50	\$4,252.88	\$84.38	\$7.03
\$232,521	\$4,846.32	\$4,944.42	\$98.10	\$8.18
\$250,000	\$5,210.63	\$5,316.10	\$105.47	\$8.79
\$300,000	\$6,252.75	\$6,379.32	\$126.57	\$10.55
\$500,000	\$10,421.25	\$10,632.20	\$210.95	\$17.58



2025-2026 Total Budget By Fund



General Fund	\$146,271,671
Special Revenue Fund	\$14,722,647
Debt Service Fund	\$1,289,300
	<u>\$162,283,618</u>



2025-2026 Budget Process - What is Next



What's Next:

- County Office Review of Tentative Budget
- Budget is Advertised Once Approved
- Public Hearing is April 29th (if we make any changes we summarize at Public Hearing)
- Budget is Adopted April 29th