

# 2025-2026 Budget Update

March 11, 2025



*Cherry Hill*  
**PUBLIC SCHOOLS**

# Adequacy Budget Calculation

- Weighted enrollment times “total base cost”
  - Elementary school student – 1.0
  - Middle school student – 1.04
  - High School Student – 1.16
- Total base cost was increased by 7.36%
- Enrollment is also “weighted” for:
  - At Risk Students*
  - Limited English Proficient Students*
  - Special Education Students*
  - Speech Services Only Students*
- Geographical Cost Factor Adjustment – accounts for the “cost of living in the county in which the District is located.”

# Local Share and Equalization Aid

Local Cost Share is the difference between the Adequacy Budget and Equalization Aid

- Local Cost Share is determined by:
  - 3 Year Average of Property Values times a property rate multiplier/2
  - 3 Year Average of District Income times an income rate multiplier/2
  - Property Values are as of October 2023, 2022 and 2021
  - District Income is as of 2021, 2020 and 2019

In 2024-25, 398 (68%) of Districts received Equalization Aid

In 2025-26, 275 (48%) of Districts will receive Equalization Aid

# Adequacy Budget and Local Fair Share

	<b>Resident Enrollment</b>	<b>Weighted At Risk Students</b>	<b>Adequacy Budget</b>	<b>Local Share</b>	<b>Equalization Aid</b>	<b>Total General Fund State Aid</b>
2019-2020	10,796	950	160,819,720	148,703,374	7,821,405	18,424,898
2020-2021	10,875	815	167,125,212	147,934,009	11,295,270	21,898,763
2021-2022	10,530	863	165,192,187	145,879,487	14,095,097	24,698,590
2022-2023	10,616	846	170,172,140	151,875,316	18,296,824	29,589,448
2023-2024	10,714	885	182,256,987	160,149,565	22,107,422	36,377,427
2024-2025	10,669	977	194,430,249	182,335,839	15,207,240	29,477,245
2025-2026	10,616	1,140	209,911,221	210,375,403	-	28,592,928



# State Aid

<b>General Fund</b>	<b>State Aid</b>					
<b><u>State Aid Category</u></b>	<b><u>2021-22</u></b>	<b><u>2022-23</u></b>	<b><u>2023-24</u></b>	<b><u>2024-25</u></b>	<b><u>2025-26</u></b>	<b>+/-</b>
Equalization Aid@	14,095,097	18,296,824	22,107,422	15,207,240		(15,207,240)
Transportation Aid	2,884,053	2,884,053	2,884,053	2,884,053	5,926,519	3,042,466
Special Education Aid	6,480,802	7,169,933	10,147,314	10,147,314	19,431,379	9,284,065
Security Aid	1,238,638	1,238,638	1,238,638	1,238,638	3,235,030	1,996,392
<b>Total State Aid</b>	<b>24,698,590</b>	<b>29,589,448</b>	<b>36,377,427</b>	<b>29,477,245</b>	<b>28,592,928</b>	<b>(884,317)</b>
<b>Stabilized School Aid</b>				<b>3,105,082</b>		<b>(3,105,082)</b>
<b>Debt Service Aid</b>			<b>6,978,535</b>	<b>8,577,777</b>	<b>9,018,965</b>	<b>441,188</b>
<b>Preschool Education Aid*</b>			<b>3,417,615</b>	<b>6,156,984</b>	<b>7,489,660</b>	<b>1,332,676</b>

@ In 2024-25, 398 (68%) of Districts received Equalization Aid. In 2025-26, 275 (48%) of Districts will receive Equalization Aid

\*Reduction in 2025-26 Preschool Aid due to 2023-24 carryover - \$588,174. This equals 25% of the carryover

STATE OF NEW JERSEY - DEPARTMENT OF EDUCATION  
 DIVISION OF FINANCE AND BUSINESS SERVICES  
 OFFICE OF SCHOOL FINANCE  
 PROJECTED 2025-26 STATE SCHOOL AID  
 AID CHANGE LIMITS

COUNTY: 07-CAMDEN  
 DISTRICT: 0800-CHERRY HILL TWP  
 BUDGET: K-12

STATE AID GROWTH LIMIT CALCULATION:

Uncapped Aid [EQA (W) + CAT (B) + CAT (E) + TRN (C)]	\$18,083,377 (A)
Prebudget Year Aid [BUD (A-1) thru (A-4) + BUD (A-7)]	\$29,477,245 (B)
SFRA Aid Change [Item (A) minus (B)]	\$-11,393,868 (C)

AID INCREASES: If Item (C) > 0

Maximum Aid Increase [Item (B) times 6%]	N/A (D-1)
Adjustment Needed to Reach Max Gain MIN[0, Item (D-1) minus (C)]	N/A (D-2)
Aid limit index Sum[1, Item (D-2) divided by Item (A)]	N/A (D)

AID REDUCTIONS: If Item (C) < 0

Maximum Aid Reduction [Item (B) times -3%]	\$-884,317 (E-1)
Adjustment Needed to Reach Max Loss MAX[0, Item (E-1) minus (C)]	\$10,509,551 (E-2)
Aid limit index Sum[1, Item (E-2) divided by Item (A)]	158.1172% (E)

AID LIMIT ADJUSTMENT INDEX

[If Item (C) > 0, Item (D); If Item (C) < 0, Item (E)]	158.1172% (F)
--	---------------

# DRAFT Budget Status

<u>Budget Category</u>	<u>Revised Budget 2024-25</u>	<u>Proposed Budget 2025-26</u>	<u>Difference</u>	<u>%</u>
Salaries	130,743,732	129,305,274	(1,438,458)	-1.1%
Benefits	51,213,056	54,488,251	3,275,195	6.4%
Other	65,940,170	63,606,746	(2,333,424)	-3.5%
Contribution to Preschool	1,519,251	1,798,350	279,099	18.4%
Capital Reserve - Pymt of Debt	4,000,000	4,000,000	-	0.0%
Capital Reserve Projects	3,015,022	2,923,500	(91,522)	-3.0%
<b>TOTAL GENERAL FUND BUDGET</b>	<b>256,431,231</b>	<b>256,122,121</b>	<b>(309,110)</b>	<b>-0.1%</b>
<b>TOTAL TAXES</b>	<b>196,200,891</b>	<b>201,491,240</b>	<b>5,290,349</b>	<b>2.8%</b>
<b>TOTAL MISC REVENUES</b>	<b>3,000,999</b>	<b>3,000,999</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL STATE AID</b>	<b>35,582,327</b>	<b>31,592,928</b>	<b>(3,989,399)</b>	<b>-9.9%</b>
Federal Aid	331,310	64,403	(266,907)	-80.6%
Fund Balance	12,527,134	13,049,051	521,917	4.2%
Capital Reserve	7,014,022	6,923,500	(90,522)	-1.3%
Reserve for Encumbrances	1,774,548		(1,774,548)	-100.0%
<b>TOTAL REVENUES</b>	<b>256,431,231</b>	<b>256,122,121</b>	<b>(309,110)</b>	<b>-0.1%</b>

# DRAFT Budget Status – Tax Impact

2% Tax Increase - \$3,924,018 – 112.23

Use of Expiring Banked Cap - \$1,366,331 – 39.08

Debt Service Increase - \$988,812 – 28.28

Total Impact on the average assessed home of 227,000 - \$179.59

# Closing the Gap – Minimizing Program Impact

- Budget trimming of operational areas, supplies, equipment and services.
- Eliminate permanent substitutes through contracted services
- Reduce educational services provided by outside contracts
- Elimination of 19 Support positions
- Reconfiguration of Middle School model
- Administrative reduction
- Reductions at the High School based on sectioning
- Addition of a Math Coach (Elementary) – 1 position
- Addition of Interventionists (Elementary and Middle) – 5 positions

# Closing the Gap – Minimizing the Tax Impact

- Without the use of banked cap or another funding source, there would be additional cuts and staffing reductions. This may impact:
  - Class sizes at the elementary levels.
  - Program offerings at the secondary level.
  - Many of the positions hired in the past few budget years.
  - Operational staff
  - Transportation

# Capital Reserve Considerations for 2025-26

---

Turf Field Replacement and Track Resurfacing at West

---

Fencing – District wide

---

Contribution to Debt Service

# Planning for the Future

- The 3% Hold Harmless from the State limited the amount of aid loss this year. There are no guarantees this will be utilized in future budgets.
- Non personnel cuts – 70-75% of the Budget is Personnel Costs – cuts to non personnel areas can only sustain so much. If reductions in State Aid continue, positions, many added in the past few budget years, will need to be re-evaluated.
- Adjusting Other Revenue Sources
  - Fund Balance – Sets the bar higher for future budgets and may affect debt repayment and capital reserve contributions in the future.
  - Extraordinary Aid –assuming a higher extraordinary aid number is risky
- 3,392,139 of banked cap is available for the 2026-27 budget year; there is none after that.
- The 2% Tax Levy Cap, cannot cover the annual increase in costs for the District – and make up for losses in State Aid

# Next Steps

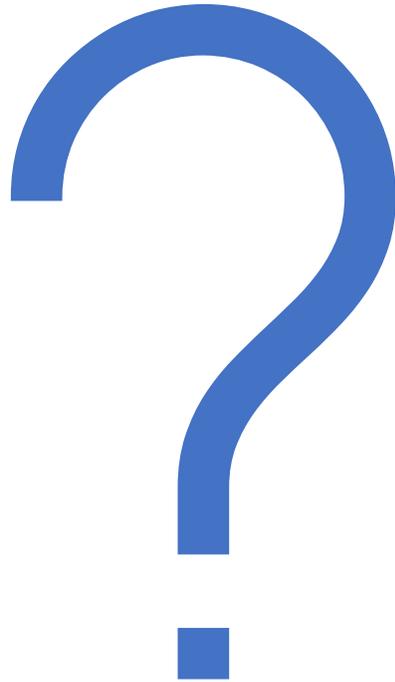
## **Two Step Process:**

### **1.) Initial Submission Budget**

- Submitted to the County Office for review and approval – deadline is March 19.
- Board Meeting – March 18 to approve budget and submit

### **2.) Public Hearing Budget**

- County Approved Budget is advertised in the newspaper
- Budget is finalized and adjusted if necessary.
- Public Hearing is held on Budget (April 30).
- Final Board adoption.



Questions & Responses