

# Freehold Borough Board of Education

2025-2026 Tentative Budget  
March 17, 2025



Freehold Borough School District

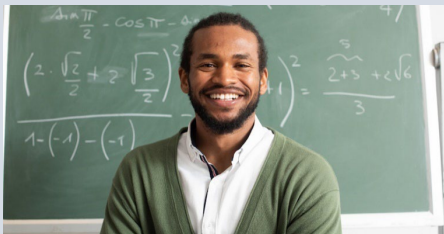
# Budget Development Timeline

- December – Budget process begins with administration
- December – Mid-Year Budget Review with County office
- January – Budget conferences with district administration
- February 25 – Governor’s Budget address
- February 27 – Release of state aid numbers
- March 3 – BOE budget discussions
- March 17 – Adoption of tentative proposed budget

# Salaries

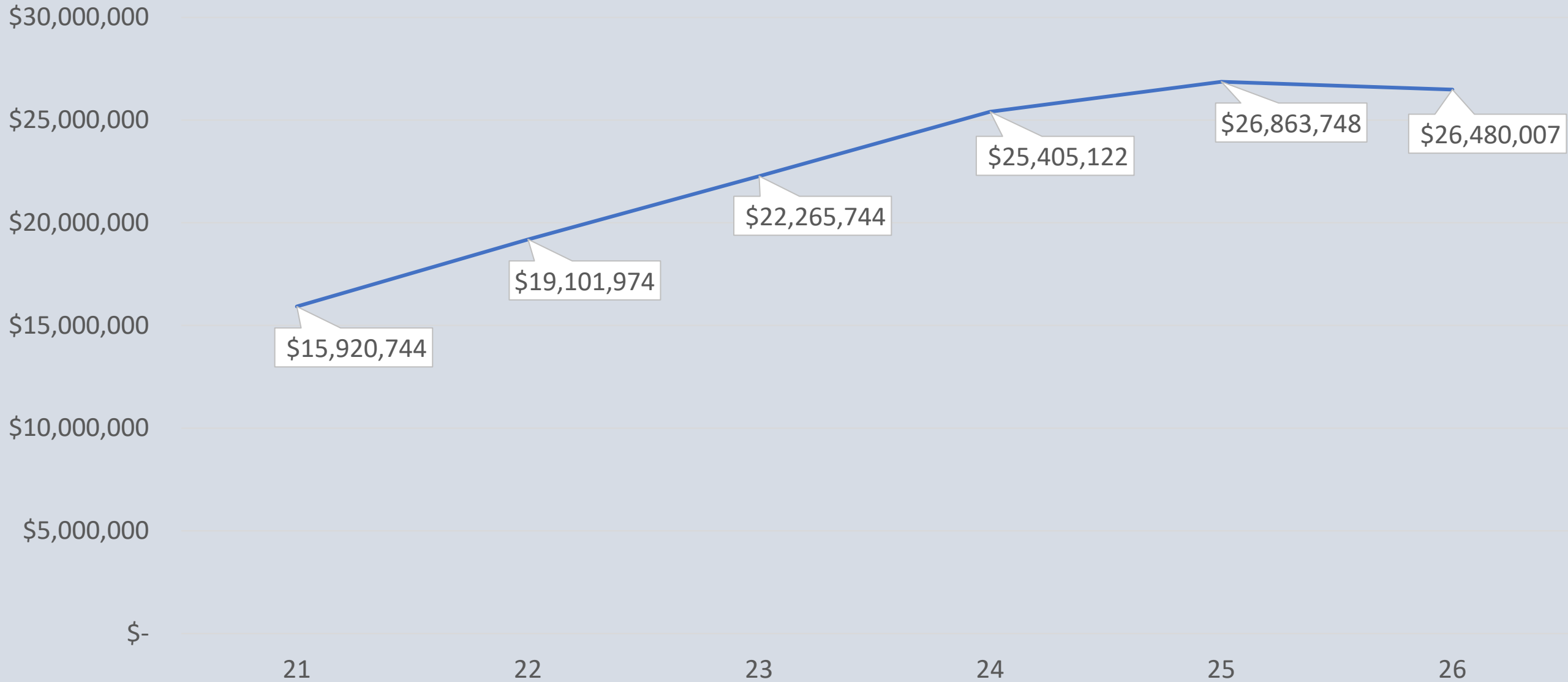
## Collective Bargaining Units

- FBEA - 244 Employees. Represents teachers, teacher assistants, secretaries, custodians, and maintenance employees.
  - FBAA - 8 Employees. Represents principals, directors, supervisor, and vice principal.
  - MOESC - 41 Paraprofessionals.
  - Non – unit – 20 Employees. Represents Confidential secretaries, technology staff, security staff, facilities supervisor, business office staff, superintendent.
- 
- Fiscal Year 14: 224 Employees
  - Fiscal Year 25: 313 Employees



Freehold Borough School District

# History of State Aid



Freehold Borough School District

# History of Tax Levy



Freehold Borough School District

# History of Budget



Freehold Borough School District

Revenue Source	2025 – 2026	% of Budget
State Aid	\$26,480,007	65.7%
Tax Levy	\$11,878,019	29.5%
Fund Balance <i>(Prior Year \$918,287)</i>	<b>\$1,754,485</b>	4.3%
SEMI <i>(Prior Year \$160,287)</i>	<b>\$22,397</b>	.1%
Extraordinary Aid	\$140,000	.3%
Misc. Rev. / Bank Interest / Facility Rental	\$50,000	.1%
Total Revenue:	\$40,324,908	100%

<b>Annual Operating Expenses</b>	<b>2025 – 2026</b>	<b>% of Budget</b>
Salaries and Health Benefits	\$29,806,610	74%
Maintenance, Security & Transportation	\$3,602,122	8.9%
Telephone, Engineer, Legal, Admin. Supplies & Copier Leases	\$152,082	.4%
Curriculum, Special Education & 1:1 Aides	\$3,124,982	8%
Out of District Placements	\$1,359,076	3.1%
Utilities / Gas / Electric & Insurance P&C	\$1,244,902	3%
FIS, PAE, FLC and Technology Supplies	\$1,035,134	2.6%
Total Expenses:	\$40,324,908	100%

# 25-26 Budget

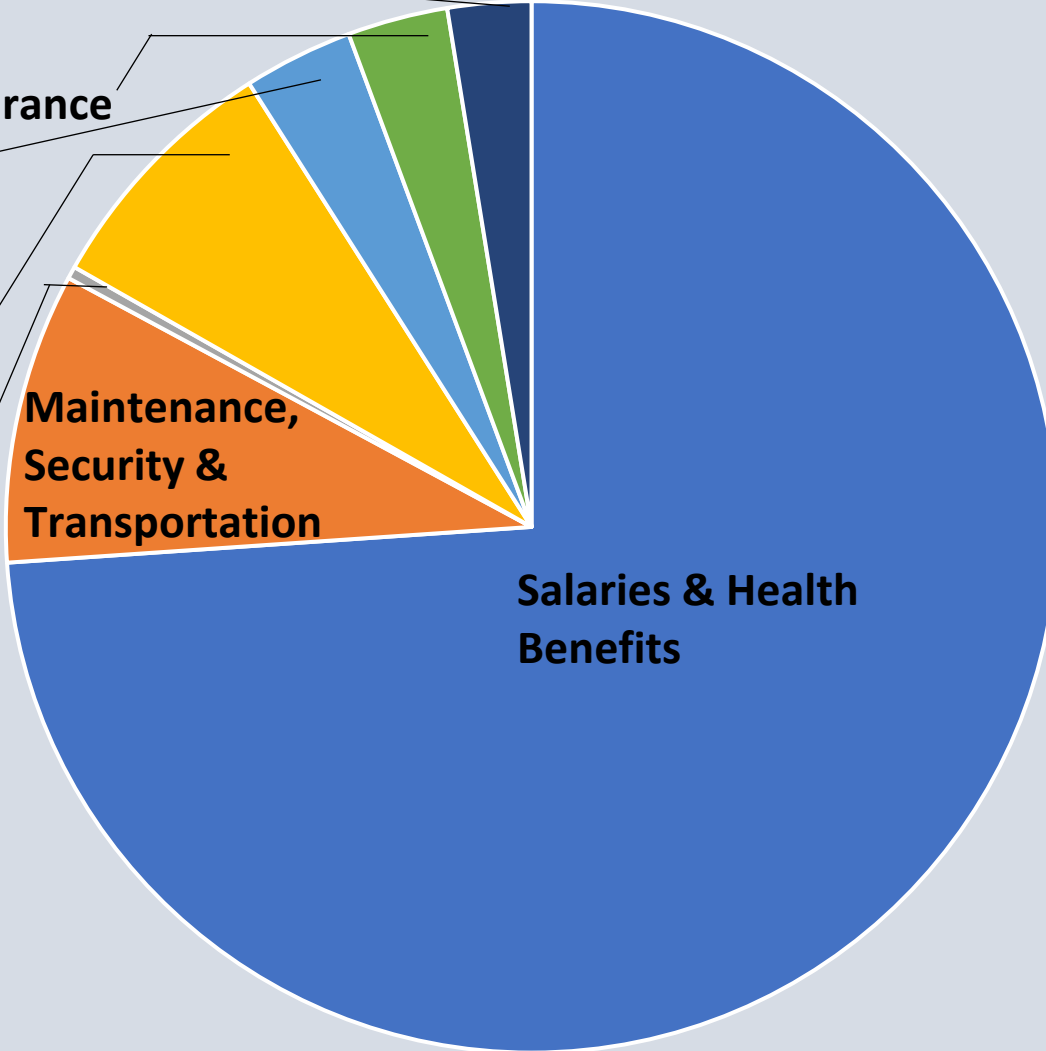
FIS, PAE, FLC and Tech. Supplies

Utilities, Gas, Electric & Insurance

Out of District Placements

Curriculum, Special Ed & 1:1 Aides

Telephone, Engineer, Legal, Admin Supplies & Copier Leases



Salaries & Health Benefits

Maintenance, Security & Transportation

Telephone, Engineer, Legal, Admin Supplies & Copier Leases

Curriculum, Special Ed. & 1:1 Aides

Out of District Placements

Utilities, Gas, Electric & Insurance

FIS, PAE, FLC and Technology Supplies

# Summary – 6 Years of State Aid, Tax Levy & Budget

## State Aid

- FY21 – FY26, Total Increase \$10,559,263
- FY21 – FY26, 66% increase
- Average increase each year, \$1,759,877

## Tax Levy

- FY21 – FY26, Total Increase \$1,739,178
- F21 – FY26, 17% increase
- Average increase each year, \$298,863

## Overall Budget

- FY21– FY26, Total Increase \$11,667,204
- FY21 – FY26, 41% increase
- Average increase each year, \$1,944,534



Freehold Borough School District

# What Does The Budget Look Like Today?

## February 21, 2025

- Revenue, \$40,072,557
- Expenses, \$40,515,796
- Deficit (\$443,239)

## February 26, 2025

- Revenue, \$40,459,854
- Expenses, \$40,565,796
- Deficit (\$105,942)

## March 17, 2025

- Revenue, \$40,324,908
- Expenses, \$40,324,908
- **Balanced Budget**



# What Causes Budget to Fluctuate Year to Year?

## FY25

- Salaries → \$20,082,171
- Health Benefits → \$6,353,170
- Utilities → \$474,000
- Transportation → \$1,029,710
- MOESC Aides → \$1,266,308

## FY26

- Salaries → \$20,819,836
- Health Benefits → \$6,976,765
- Utilities → \$601,533
- Transportation → \$1,703,502
- MOESC Aides → \$2,200,700



# What Budget Cuts Have Been Made?

## FY 26 Budget Cuts

- District Supplies → \$447,004
- Salary OT → \$22,300
- Health Benefits → \$34,010
- \* **Grant Funds → \$267,687**



Freehold Borough School District

# Banked Cap / Health Benefit Waiver?

## Cap Banking Eligibility

District ID : 1640

District Name : FREEHOLD BORO

Line	Name	Generated in 2022-23	Generated in 2023-24	Generated in 2024-25	Generated in 2025-26
A	Prebudget Year Adjusted Tax Levy, including Weighted Increases for Enrollment, Inflated by 2%	10,283,236	10,329,675	10,488,901	11,231,926
	<b>Cap Adjustments:</b>				
B	Increase in Health Care Costs	0	628,465	262,777	444,461
C	Increase in Normal and Accrued Pension Contribution (Deferred Pension)	0	0	0	0
D	Increase for Responsibility Assumed by District	0	0	0	0
E	Decrease for Responsibility Shifted to Another District or Entity	0	0	0	0
E1	Other Adjustments	0	0	0	0
E2	Increase in SDA District Local Share	0	0	0	0
F	Tax Levy Cap	10,283,236	10,958,140	10,751,678	11,676,387
G	Tax Levy	10,081,604	10,283,236	11,011,692	11,878,019
G1	Adjustments to Levy	0	0	0	0
H	Banked Cap Available for Use in Next Three Years (Line F less Lines G and G1)	201,632	674,904	0	0
I	Requested Use of Banked Cap in Prior Years	0	0		
J	Requested Use of Banked Cap in Current Year 25-26	201,632	\$0	\$0	
K	Available Banked Cap Carried Forward to Following Year	0			
L	Available Banked Cap Carried Forward to Following Year	0	674,904	0	0
M	Banked Cap Available for 2026-27.				674,904

**Total Available**  
**\$201,632**  
**\$674,904**  
 -----  
**\$876,536**

# Local Fair Share For FY 26

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

02/27/2025

3

Page EQA

LOCAL SHARE CALCULATION - REGULAR DISTRICT

		Equalized Valuation 3-Year Average Calculation:		
1,482	(A)	2022	931,552,167	(N-1)
		2023	968,400,495	(N-2)
		2024	1,040,223,938	(N-3)
22,084,218	(B)	Equalized Valuation 3-Year Average [Items (N-1) + (N-2) + (N-3)] / 3	980,058,867	(N)
503	(C)	District Income 3-Year Average Calculation:		
		2020	181,528,837	(O-1)
7,495,521	(D)	2021	196,815,222	(O-2)
		2022	267,341,396	(O-3)
16	(E)	District Income 3-Year Average: [Items (O-1) + (O-2) + (O-3)] / 3	215,228,485	(O)
238,426	(F)	Equalized Val. [Item(N)] x 0.014949314 / 2	7,325,604	(P-1)
		District Income [Item(O)] x 0.059963161 / 2	6,452,890	(P-2)
222	(G)	Local Fair Share	13,778,494	

# Strategic Plan FY 25

## Freehold Borough School District

5-Year Strategic Plan

*Vision: Building Outstanding Results & Opportunities*

**Focus Area: Fiscal Capacity**

**Belief Statement:** We believe in investing in our schools while understanding our obligation to be fiscally accountable by balancing efficiency and flexibility.

Goal #2	Utilize available funding for additional capital improvements and program expansion.	2023 2024	2024 2025	2025 2026	2026 2027	2027 2028	Responsibility: (Persons responsible for coordinating)	Indicators of Success: (Metrics that can be used to measure progress)
Action Step 1	Contract a Bond Attorney to present options to the BOE for the use of remaining 2017 Bond Referendum funds.	X					Business administrator	BOE Presentation
Action Step 2	Develop a plan to access Banked CAP within the next two years prior to funds expiring	X	X				Superintendent, Business Administrator	Budget Proposal
Action Step 3	Monitor Borough development plans and construction projects with additional residential units that may impact school enrollment.	X	X	X	X	X	Superintendent, Business Administrator	Planning Board/Zoning Board minutes
Action Step 4	Develop plans for increased school enrollment that utilize all available funding to increase classroom space.	X	X	X	X	X	Superintendent, Business Administrator	Long Range Facilities Plan (LRFP); Budget Proposals
Action Step 5	Solicit funding from Borough PILOT programs for any development projects that have direct impact on student enrollement.	X	X	X	X	X	Superintendent, Business Administrator	MOA with Borough for impact funding

Freehold Borough School District

# Summary Of Tax Levy Proposal

## FY25

- FY25 Tax Levy \$10,283,236
- 2% Cap on Levy \$205,665
- Health Care Allowance \$271,438
- Banked Cap \$260,014
  
- FY25 Tax Levy \$11,020,353

## Available Resources

- Health Care Allowance \$ 444,461
  
- Banked Cap Expiring \$201,632

## FY26

- FY26 Tax Levy \$11,878,019 (includes 2%, Health Care cost and expiring Banked Cap)
  
- Local Fair Share \$13,778,494
  
- Proposed Local Fair Share \$11,878,019  
86.21%



Freehold Borough School District

# General Fund & Debt Service Tax Levy Year Over Year

Tax Levy	2024 - 2025	2025 – 2026
General Fund	\$11,020,353	\$11,878,019
<b>Debt Service</b>	<b>\$0</b>	<b>\$0</b>
Total	\$11,020,353	\$11,878,019

2% increase in the General Fund tax levy, Health care adjustment, and Banked cap expiring

The district will be applying **\$523,005** towards bond payments

Debt Service will be **\$0** for 2 consecutive years in a row

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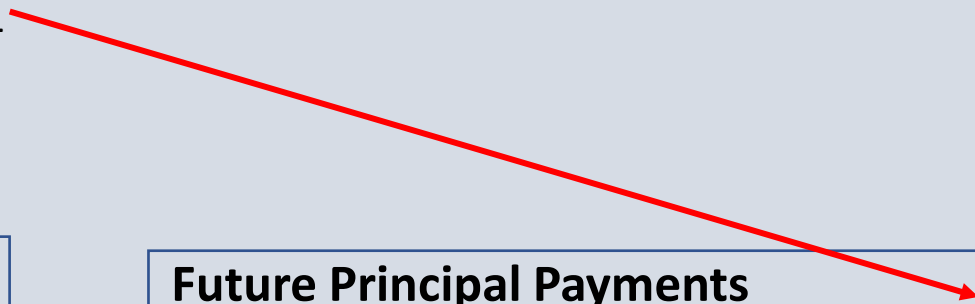
# 2017 Bond Referendum

2017 Bond Referendum July 19, 2017

\$15,605,000

2017 Bond Referendum Balance June 30, 2023

\$5,450,991



**2025-2026**  
Bond Payment  
Principal \$875,000  
Interest \$337,125

## Future Principal Payments

25-26 \$875,000 ← District is applying \$523,005 towards this payment.

26-27 \$900,000

27-28 \$900,000

28-29 \$900,000

29-30 \$900,000

30-31 \$900,000

31-32 \$75,991

# Next Steps

- **March 17, 2025 – FY26 tentative budget on the agenda for adoption. After approval by the Board, the tentative budget goes to the County Superintendent for compliance checks, review and approval.**
- **After County Superintendent approves our budget, district advertises budget for the public hearing.**
- **May 5, 2025 – Public Hearing and adoption of the FY26 budget. The budget can be modified any time between tonight (March 17<sup>th</sup>) and the Public Hearing on May 5<sup>th</sup>.**
- **48 hours after Public Hearing – User friendly budget is posted to the district website.**
- **July 1, 2025 – New fiscal year begins. Deadline for legislature to adopt FY26 State budget for state aid numbers to be locked in.**



Freehold Borough School District