



# **2025-2026 Budget Tentative Budget Adoption**

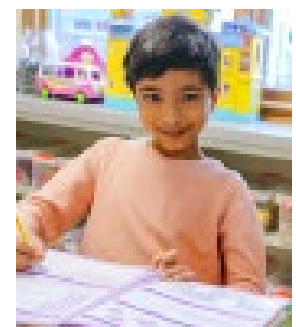
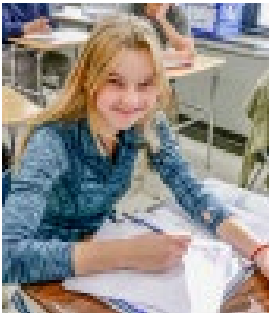
March 18, 2025

## Outline of Discussion

- **Our Promise – Strategic Plan Goals**
- **Zero Based Budget Overview**
- **Budget Calendar**
- **School Tax Overview/Tax Impact**
- **Debt Service Analysis**
- **Tentatively Adopted Budget Analysis**
- **Questions?**



We promise to prepare all our students to lead lives of joy and purpose as knowledgeable, creative and compassionate citizens of a global society.



# Strategic Planning Goals 2023 – 2028

**Focus on Early Years:** Age 3 to Grade 3 : Every student will build solid foundational literacies through purposeful play, inquiry-based learning, and targeted instruction.

**Wellness, Inclusion and Supports for All:** Every student will be known, connected, engaged, and supported, and will encounter fair, affirming schooling experiences at every stage.

**Opportunity and Achievement for All :** Every student will have access to challenging academic programs and will demonstrate achievement of rigorous standards with intellectual integrity.

**Preparation for a meaningful life beyond PPS:** Every student will successfully navigate school transitions and will build the foundation to thrive in the postsecondary pathway of their choice and design.



# ZERO BASED BUDGETING OVERVIEW

- Zero-based budgeting (ZBB) is a continuous process that we have implemented to rigorously review every dollar in the annual budget and build a culture of cost management among all stakeholders. The ZBB process is based on developing deep visibility into cost drivers and using this knowledge to help maintain an environment of accountability and sustainable growth in taxes. The full intent is to start from zero and build up from there.

# What makes Princeton Public Schools Unique

- Small “neighborhood” Schools with comparatively small class sizes
- World class university in our community
- A large number of student programs and opportunities
- A large number of student support services
- A very experienced teaching staff
- Programs that are well above State minimum
- High percentage of population navigating poverty (~15%) compared to peer districts, as well as having a 424 student charter school in town
- Commitment to Equity



# Budget Calendar

## 2025-2026 Budget

**November - District Budget planning (Central Office)**

**November- Budget manual shared with Budget Managers who were required to enter their ZBB details into School-Fi (Genesis-new software implemented July 1) directly by December 23<sup>rd</sup>**

**January-February - Central Office Analysis**

**February 4<sup>th</sup> - Budget Workshop-Top level overview**

**February 25<sup>th</sup> - Governor Murphy's Budget Address**

**February 27<sup>th</sup> - State Aid Numbers released (48 hours after Budget Address)**

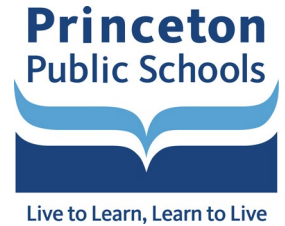
**March 18<sup>th</sup> - (TONIGHT) Tentative Budget Adoption**

**March 19<sup>th</sup> - Budgets submitted to County (State review)**

**April 29<sup>th</sup> - Public Budget Hearing and Final Budget Adoption**

**Budget presentations throughout the budget development and approval process.**

# PPS ACCOMPLISHMENTS

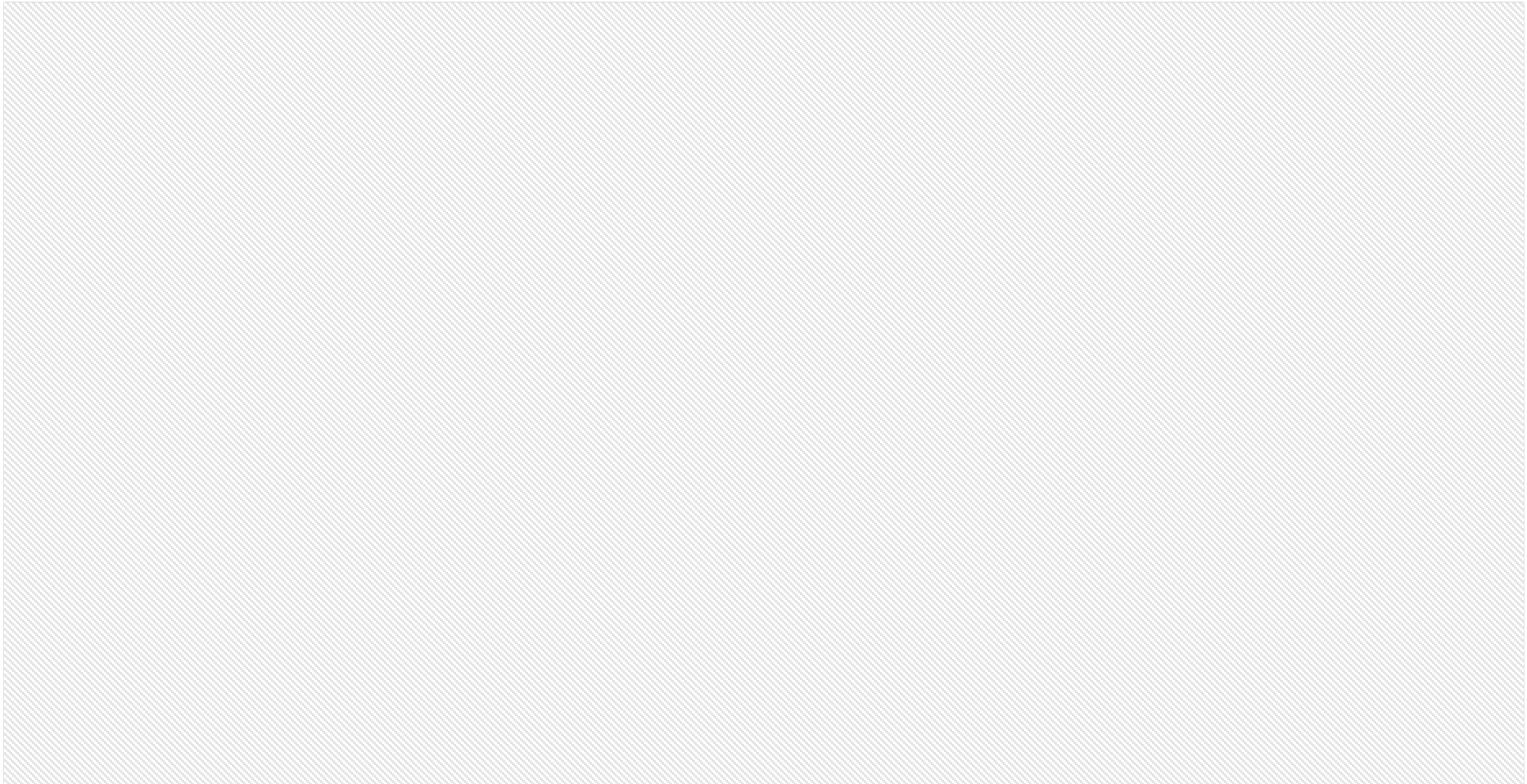


- Passed 3 Referenda, with strong community support, which have focused on maintaining facilities and improving the health, safety and wellness for our students and staff
- Improving pedagogy with rolling out new data tools and improving multi-tiered structures for support which help our students who need help
- Utilized grants available from both Princeton University and State to offer extra supports and tutoring for our students
- Implemented new Enterprise Personnel/Payroll/Accounting software package; School-Fi and finalizing new Facilities Management Software; Master Library

# 25-26 Budget “Drivers”

- Meeting student needs
  - More students needing extra services and out of district placements as well as maintaining small class sizes
- Inflation Slowed
  - Still absorbing large increases in transportation and labor costs
- Pressure on health care costs driven by specialty Rx costs and increased, widespread usage of GLP-1 drugs
- Continuing to focus on maintaining and improving our Facilities

# Calendar Tax year Princeton Property Tax Comparison



*Source: 2023 and 2024 Mercer County Abstract of Ratables*

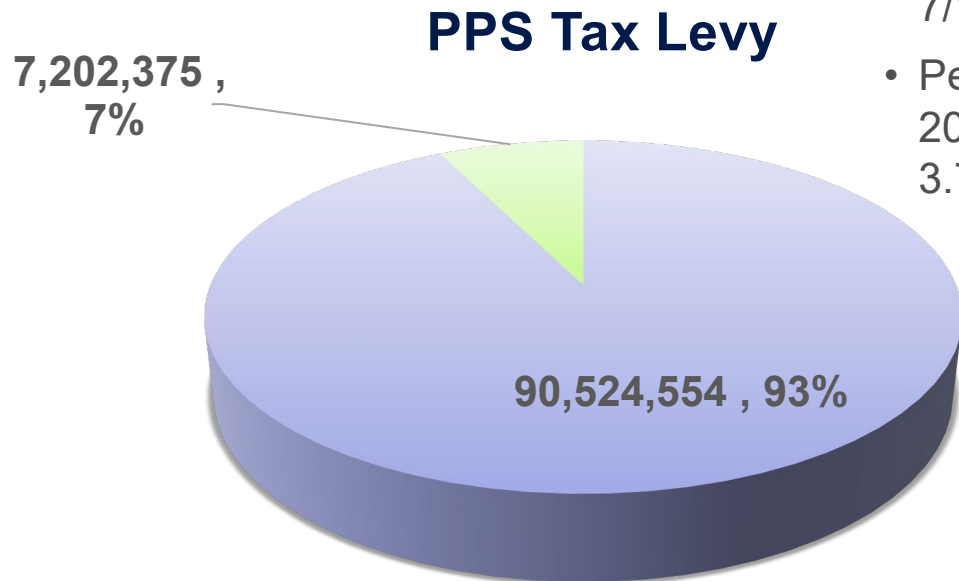
## 2025-26 School Tax: Two Separate Levies = \$97.727MM

### General Fund Levy = \$90.525 MM

- Funds annual **operating** budget
- Subject to 2% cap with waivers for enrollment and possible healthcare cost increases

### Est. Debt Service Levy = \$7.203 MM

- Funds **long-term capital** projects
- Approved by taxpayers via referendum
- As of 3-25-2025, \$135.49 MM debt outstanding, with maturities of 1/15/37, 7/15/38, 1/15/42 and 1/15/52
- Pending \$89.1 MM to be issued 20 March 2025 included with estimated interest rate 3.75%



■ General Fund    ■ Debt Service

# PPS ASSET VALUATION

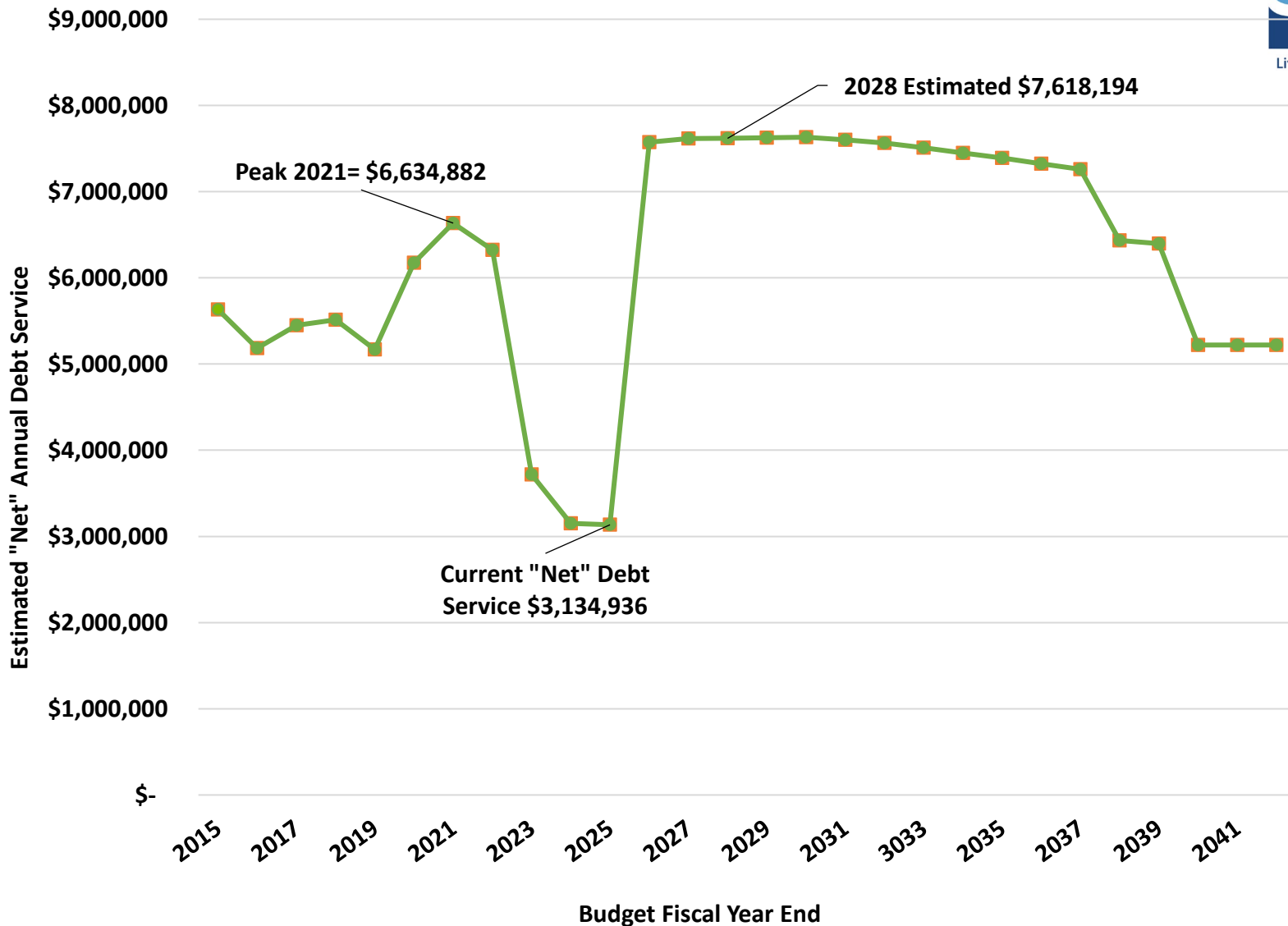
- Fall 2024 - \$288.7 MM Replacement Value of Buildings, Site Improvements and contents
- Fall 2020 - \$230.2 MM Replacement Value of Buildings, Site Improvements and contents
- Increase of \$58.5 MM (25.4%) as performed by CBIZ Valuation Group, LLC as part of bi-annual insurance valuation through NJ Schools Insurance Group
- Replacement Cost, as applicable to insurance valuations, is defined as the cost required to produce a property of like kind and materials at one time in accordance with current market variables
- Increase in focus of district over past 5 years, more time, more \$'s and more care in maintaining our “Facilities”

## Debt Service Levy → Pays for Long-Term Debt

- Four Bond issues currently (3-25-25) outstanding, with a new \$89.12 MM issue on 3/25/2025, approved by about 60% of voters on January 28, 2025.
- Our Aaa (“triple A” Moody’s) rating which is the highest credit rating available was reaffirmed on March 12, 2025. See Outstanding Debt as of 3/25/2025 Below:

	<b>Orig. Issue Date</b>	<b>Maturity Date</b>	<b>Int. Rates</b>	<b>Principal Bal. 3/25/2025</b>
<b>26.928 MM School Bonds</b>	<b>1/23/2019</b>	<b>7/15/2038</b>	<b>2.50% 3.00%</b>	<b>21,875,000</b>
<b>17.451 MM School Bonds</b>	<b>3/30/2022</b>	<b>1/15/2042</b>	<b>2.60% 2.75%</b>	<b>12,050,000</b>
<b>12.998 MM School Bonds</b>	<b>12/28/2023</b>	<b>1/15/2037</b>	<b>2.63% 3.40%</b>	<b>12,445,000</b>
<b>89.120 MM School Bonds</b>	<b>3/25/2025</b>	<b>1/15/2052</b>	<b>3.75% 3.75%</b>	<b>89,120,000</b>
				<b>135,490,000</b>

## PPS Historical and Prospective Debt Service : "Net of State Aid"



Note: Referendums Passed in 2018, 2022, 2023 and 2025

# Taxpayer Impact

- **Tentative Adopted Calendar 2025 (Est.) total school levy of \$94.414 MM**
- **School Tax rate tentatively increases from 1.263 to 1.314 per \$100 assessed property value**
  - Princeton 2025 estimated actual tax base, net assessed valuation (ratables) of \$7.186 Billion\*
  - Tax base in-creased .64% from 2024 to 2025, which means tax levy shared across a larger base.
- **...which means that a 4.7% estimated calendar year school tax levy increase results in a 4.061% “effective” school tax increase.**

*\*2025 ratables from Tax Assessor*

# Taxpayer Impact – Estimated at Tentative Adoption

PRINCETON ~ MUNICIPALITY OF

School Year July - June

March 17, 2025

	2017~2018	2018~2019	2019~2020	2020~2021	2021~2022	2022~2023	2023~2024	2024~2025	2025~2026
	TAX LEVY	TAX LEVY	TAX LEVY	TAX LEVY	TAX LEVY	TAX LEVY	TAX LEVY	TAX LEVY	TAX LEVY
<b>GENERAL FUND</b>	\$ 73,055,295	\$ 76,246,634	\$ 78,244,588	\$ 79,613,868	\$ 80,410,007	\$ 83,016,283	\$ 86,098,310	\$ 87,966,648	\$ 90,524,554
<b>DEBT SERVICE</b>	\$ 5,512,273	\$ 5,168,761	\$ 5,754,598	\$ 6,634,882	\$ 6,324,895	\$ 3,718,619	\$ 3,151,904	\$ 3,134,187	\$ 7,202,375
<b>TOTAL TAX LEVY</b>	<b>\$ 78,567,568</b>	<b>\$ 81,415,395</b>	<b>\$ 83,999,186</b>	<b>\$ 86,248,750</b>	<b>\$ 86,734,902</b>	<b>\$ 86,734,902</b>	<b>\$ 89,250,214</b>	<b>\$ 91,100,835</b>	<b>\$ 97,726,929</b>
<b>Y/Y % Increase</b>		<b>3.62%</b>	<b>3.17%</b>	<b>2.68%</b>	<b>0.56%</b>	<b>0.00%</b>	<b>2.90%</b>	<b>2.07%</b>	<b>7.27%</b>
							8 and 5 year Compound Annual Growth Rate (CAGR)	<b>2.77%</b>	<b>1.65%</b>

2025 Est. TAX RATE PER \$100.00 OF ASSESSED PROPERTY VALUATION **\$ 1.31395**

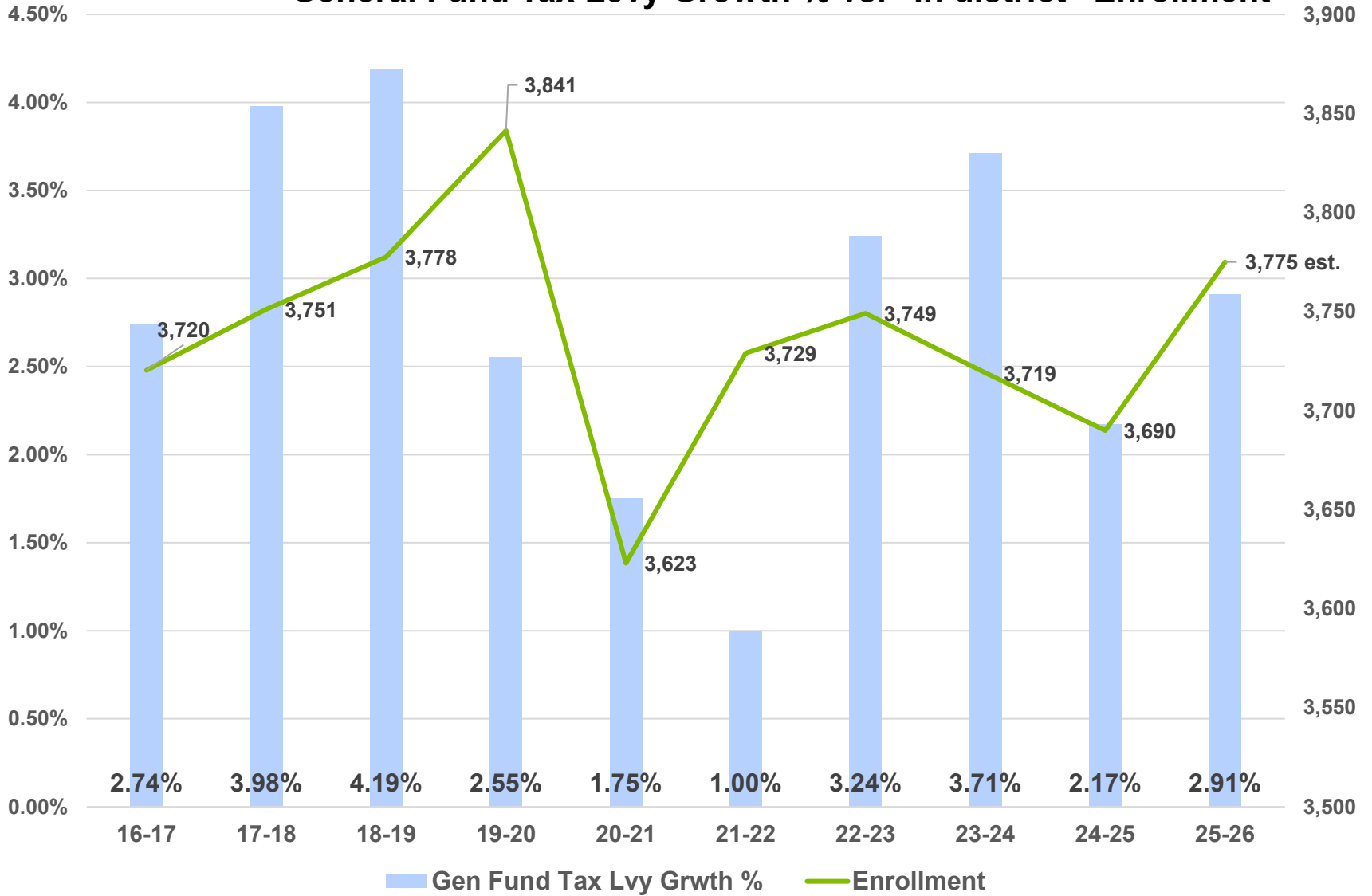
INCREASE OVER LAST MUNICIPAL TAX YEAR ~ January ~ December ~ Split 2 YR School Tax

2024 Rate	Per \$100	% Increase	Tax Year 2023 School Tax	Tax Year 2024 School Tax	Difference In School Tax
<b>\$ 1.26267</b>	<b>\$ 0.051</b>	<b>4.061%</b>			
Home Assessed Value of \$650,000	\$		8,207.36	8,540.67	333.32
Home Assessed Value of \$750,000	\$		9,470.03	9,854.62	384.60
<b>Home Assessed Value of \$844,787</b>	<b>\$</b>		<b>10,667.04</b>	<b>11,100.25</b>	<b>433.21</b>
Home Assessed Value of \$850,000	\$		10,732.70	11,168.57	435.88
Home Assessed Value of \$900,000	\$		11,364.03	11,825.55	461.52
Home Assessed Value of \$1,000,000	\$		12,626.70	13,139.50	512.80
Home Assessed Value of \$1,500,000	\$		18,940.05	19,709.25	769.20

Ave. Assessed Home Value

<b>2022</b>	<b>\$ 844,787</b>	
<b>2020</b>	<b>\$ 841,064</b>	<b>2024 Increase</b>
<b>2019</b>	<b>\$ 838,562</b>	182.05
		210.06
		<b>\$ 236.61</b>
		238.07
		252.07
		280.08
		420.12

## General Fund Tax Levy Growth % vs. "In district" Enrollment



## Banked Tax Cap Analysis

<u>Description</u>	<u>21-22</u>	<u>22-23</u>	<u>23-24</u>	<u>24-25</u>	<u>25-26</u>
Generated	796,138	-	94,684	-	13,600
Expiring	-	-		51,688	-
Available	253,626	1,049,764	51,688	146,372	-
Used/Will Use	-	998,076		146,372	-
Foregone Tax Levy	5,073	15,923	-	1,894	-

### Banked Cap:

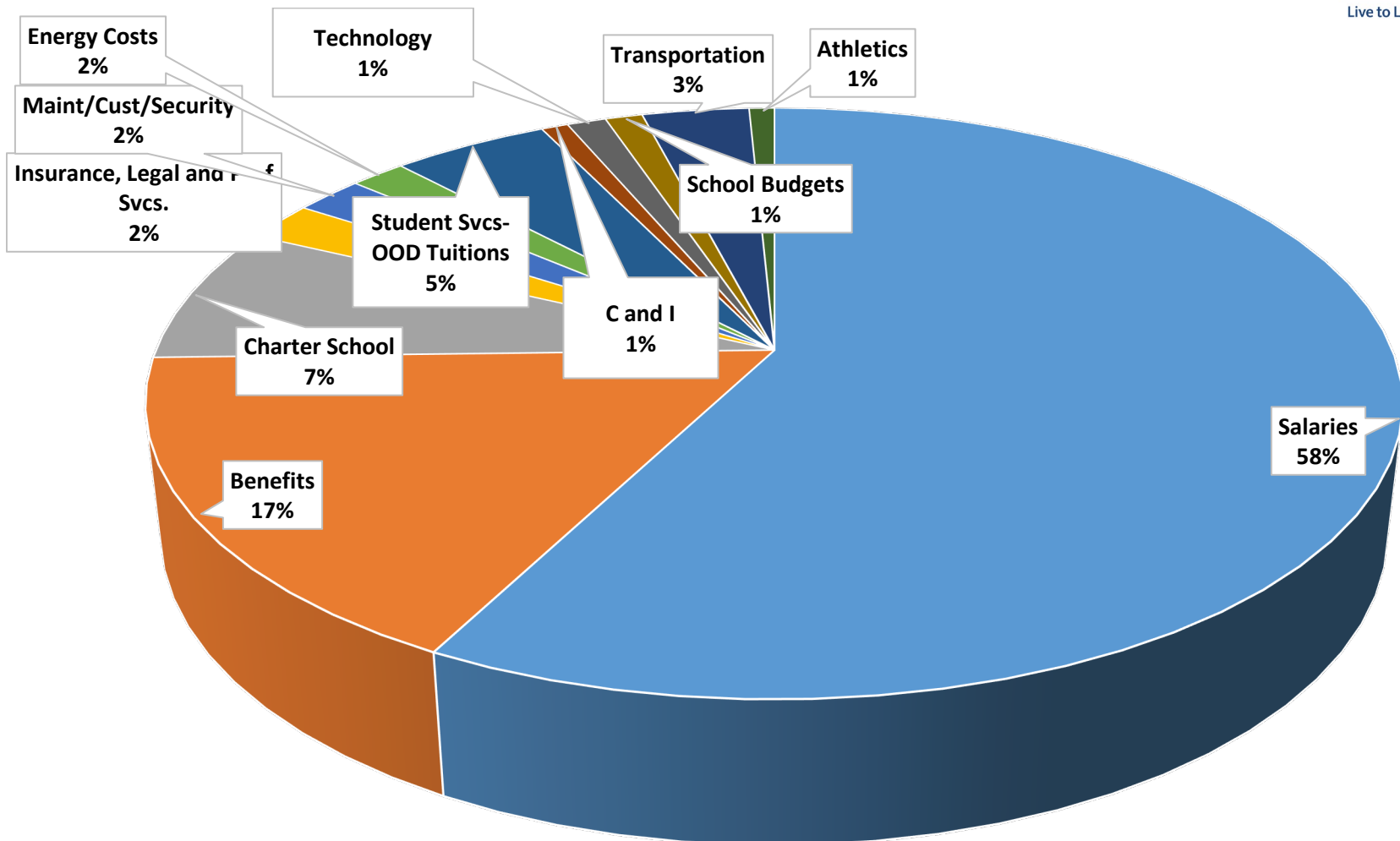
Unused taxation or spending authority, that can be saved for 3 future budget cycles and is generated by not spending to the allowable 2% cap or using automatic cap waivers for health insurance, enrollment or deferred pension increases

# Fund Balance Analysis



<b>3/16/2025</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Est. Act.</b>	<b>Tent. Adopt</b>
	<b>19-20</b>	<b>20-21</b>	<b>21-22</b>	<b>22-23</b>	<b>23-24</b>	<b>24-25</b>	<b>25-26</b>
("FREE") Fund Bal.	8,707,636	10,541,873	11,101,758	11,125,390	11,478,425	11,681,278	11,681,278
Cap Reserve Fund Balance	3,015,413	2,885,813	1,318,184	1,727,409	2,852,679	2,966,786	2,966,786
	<u>11,723,049</u>	<u>13,427,686</u>	<u>12,419,942</u>	<u>12,852,799</u>	<u>14,331,104</u>	<u>14,648,064</u>	<u>14,648,064</u>

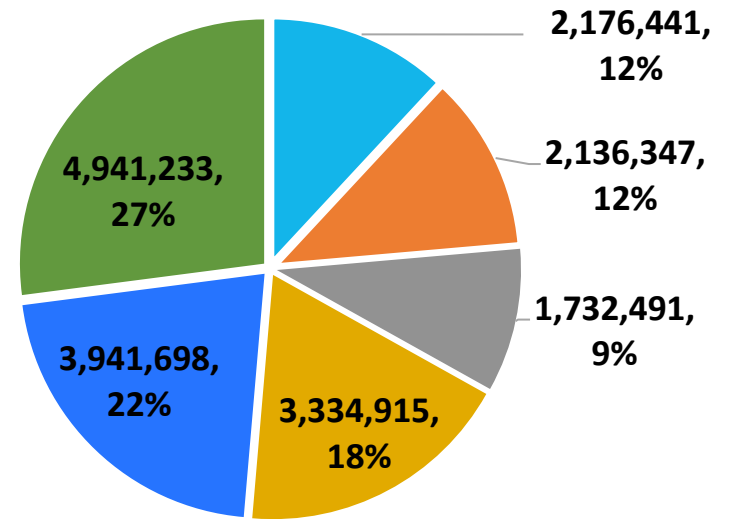
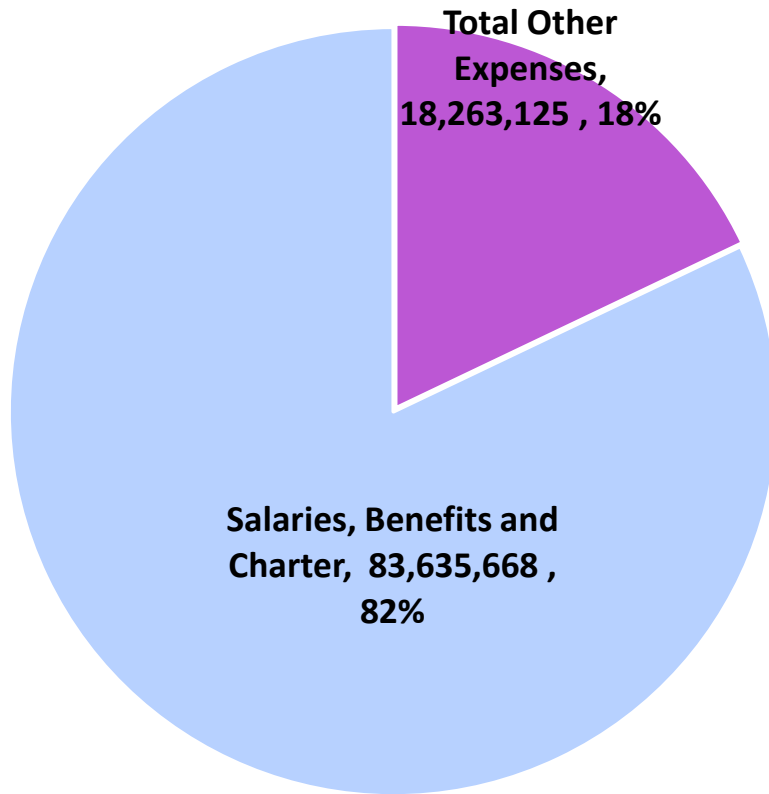
## 2024 Operating Budget Actual Results : How was it spent?



- **82.08% of expenses –Salaries, Benefits and Charter School which is down from 84.64% in 18-19**

# Major Budget Trends – 82.08% of Actual 2024 Expenses are Salaries, Benefits and Charter

Remainder of “Other” is 4.85% of Total Budget

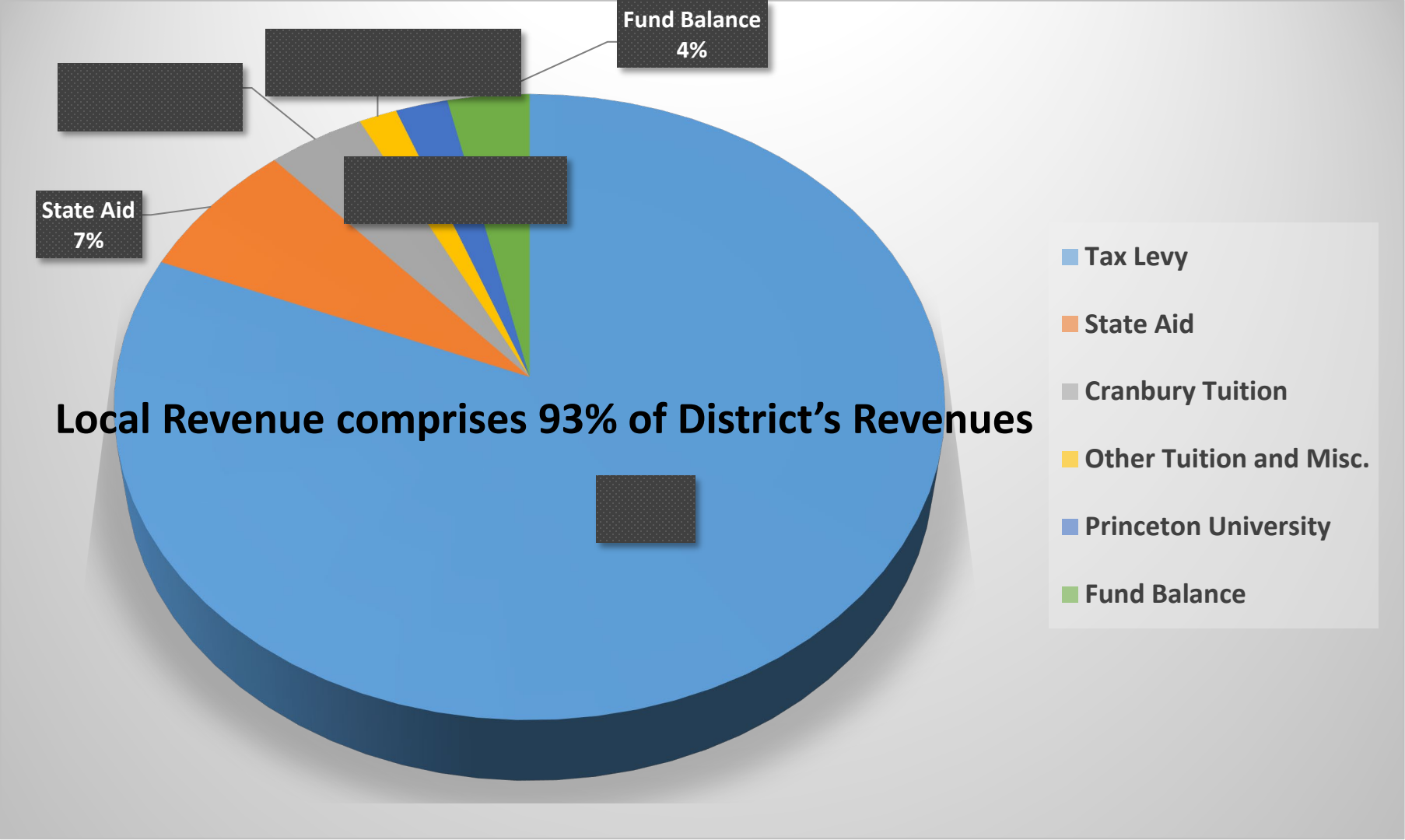


- Insurance, Legal and Prof. Svcs.
- Maintenance, Custodial
- Energy
- Transportation
- Out of District Tuitions
- Other

# 25-26 TENTATIVE ADOPTED GENERAL FUND Expenditure Analysis-including salaries

Appropriation Groupings	Est. Actual				%	%	\$	3 Yr.
	FYE 22	FYE 23	FYE 24	FYE 25	25 v. 24	24 v. 23	25 v. 22	CAGR
Human Resources, Subs, Duty Pay	\$ 2,874,331	\$ 2,885,840	\$ 2,900,609	\$ 2,907,517	0.24%	0.51%	\$ 33,186	<b>0.38%</b>
Business, Suprntndnt Hlth and Safety and Prnt Liaison	1,802,742	1,975,954	2,333,385	2,049,946	-12.15%	18.09%	\$ 247,204	<b>4.38%</b>
Maintenance, Grounds, Maint/Cust OT and Energy	7,251,581	7,202,167	7,114,964	7,948,336	11.71%	-1.21%	\$ 696,754	<b>3.11%</b>
Student Services, MLL, AIS, Elem Guidance	17,591,403	19,746,380	21,104,885	21,340,291	1.12%	6.88%	\$ 3,748,888	<b>6.65%</b>
C and I and Gifted/Talented	2,041,876	2,252,037	2,519,889	2,721,041	7.98%	11.89%	\$ 679,165	<b>10.04%</b>
Technology	2,850,059	2,204,269	2,006,436	2,335,957	16.42%	-8.97%	\$ (514,102)	<b>-6.42%</b>
JP	2,798,066	2,940,839	3,051,553	2,994,627	-1.87%	3.76%	\$ 196,561	<b>2.29%</b>
CP	2,932,968	3,017,625	2,756,269	2,375,004	-13.83%	-8.66%	\$ (557,963)	<b>-6.79%</b>
LB	2,864,252	2,955,646	3,207,062	3,418,020	6.58%	8.51%	\$ 553,767	<b>6.07%</b>
RS	2,718,661	2,479,812	2,655,189	2,870,072	8.09%	7.07%	\$ 151,411	<b>1.82%</b>
Transportation	3,620,623	4,485,987	5,335,512	5,676,753	6.40%	18.94%	\$ 2,056,130	<b>16.17%</b>
PMS	6,235,223	6,735,928	6,729,438	6,853,932	1.85%	-0.10%	\$ 618,709	<b>3.20%</b>
PHS	14,379,803	14,983,888	15,291,309	15,770,227	3.13%	2.05%	\$ 1,390,424	<b>3.12%</b>
District Benefits-Incl Health, SS, Pensions	15,920,071	16,716,006	17,267,791	18,065,484	4.62%	3.30%	\$ 2,145,413	<b>4.30%</b>
Charter School	7,122,382	6,898,642	7,624,503	7,888,643	3.46%	10.52%	\$ 766,261	<b>3.46%</b>
	<u>\$ 93,004,042</u>	<u>\$ 97,481,018</u>	<u>\$ 101,898,794</u>	<u>\$ 105,215,851</u>			<u>\$12,211,808</u>	<b>4.20%</b>

# 2025-26 Tentative Adopted Operating Revenues



# 25-26 TENTATIVE ADOPTED GENERAL FUND

## Big Picture Movements-NO FUND BALANCE

3/16/2025	Two Year Increase		26 vs '22	26 vs '22	26 vs '22
	Actual 21-22	Tent. Adopt 25-26	% Chnge. Bud vs Act.	\$ Chnge. Bud vs Act.	CAGR % Chnge.
<b>Revenue:</b>					
Total Tax Levy	80,410,007	90,524,554	12.58%	10,114,547	3.01%
Categorical State Aid	4,590,258	5,651,033	23.11%	1,060,775	5.33%
Princeton University		2,482,272		2,482,272	
Other Changes	9,238,669	8,832,658		(406,011)	-1.12%
<b>Budgeted Revenue (NO FND BAL)</b>	<b>94,238,934</b>	<b>107,490,517</b>	<b>22.31%</b>	<b>13,251,583</b>	<b>3.34%</b>
<b>Appropriations (Expenses):</b>					
Salaries	54,459,174	62,207,723	14.23%	7,748,549	3.38%
Benefits	15,995,273	18,235,732	14.01%	2,240,459	3.33%
	70,454,447	80,443,455	14.18%	9,989,008	3.37%
<b>NON-Salary Expenses</b>					
Charter School	7,122,382	8,002,002	12.35%	879,620	2.95%
Maintenance, Custodial	2,898,526	1,805,953	-37.69%	(1,092,573)	-11.16%
Stdnt Svcs.-Tuitions -Home Instr	3,343,442	4,991,300	49.29%	1,647,858	10.54%
Curriculum and Instruction	420,330	1,099,167	161.50%	678,837	27.17%
Technology	1,478,709	1,341,386	-9.29%	(137,323)	-2.41%
Transportation	2,375,778	3,642,177	53.30%	1,266,399	11.27%
Athletics	551,505	936,713	69.85%	385,208	14.16%
Other Changes	4,358,923	5,228,365	19.95%	869,442	4.65%
School Budgets	1,109,509	1,354,859	22.11%	245,350	5.12%
Supplies and Services	22,549,595	27,047,062	19.94%	4,497,467	4.65%
Total Expenditures	93,004,042	107,490,517	15.58%	14,486,475	3.69%
				<b>-1,234,892.19</b>	

# 25-26 TENTATIVE ADOPTED GENERAL FUND BUDGET REVENUES



3/16/2025	Actual 22-23	Actual 23-24	Final Adopt. 24-25	Est. Act. 24-25	Tent. Adopt 25-26	26 vs '25	26 vs '25	25 vs '24	25 vs '24
						% Inc.	\$ Inc.	% Inc.	\$ Chnge.
<b>Revenue:</b>						Est. vs PY	Est. vs PY	Est. vs PY	Est. vs PY
Tax Levy	80,410,007	83,016,283	86,098,310	86,098,310	87,966,648	2.17%	1,868,338	3.71%	3,082,027
Chp. 44 Tax Levy Decrease	-	-	-	-	-				-
Tax Levy Increase-2%	1,608,200	1,660,326	1,721,966	1,721,966	1,759,333				61,641
Banked Cap Utilized	998,076	-	146,372	146,372	-				146,372
Health Care Waiver	-	1,421,701	-	-	798,573				(1,421,701)
Enrollment Waiver	-	-	-	-	-				-
<b>Total Tax Levy</b>	<b>83,016,283</b>	<b>86,098,310</b>	<b>87,966,648</b>	<b>87,966,648</b>	<b>90,524,554</b>	<b>2.91%</b>	<b>2,557,906</b>	<b>2.17%</b>	<b>1,868,338</b>
Tuitions	5,395,363	5,252,096	5,175,390	5,175,390	4,930,215	-4.74%	(245,175)	-1.46%	(76,706)
Misc. and Interest	786,796	1,954,522	1,157,000	1,653,000	1,507,000	30.25%	350,000	-15.43%	(301,522)
Categorical State Aid	4,945,004	5,348,358	5,825,807	5,825,807	5,651,033	-3.00%	(174,774)	8.93%	477,449
Extraordinary Aid	2,631,610	2,327,961	2,500,000	2,300,000	2,300,000	-8.00%	(200,000)	-1.20%	(27,961)
Princeton University	1,125,000	2,295,000	2,386,800	2,386,800	2,482,272	4.00%	95,472	4.00%	91,800
Fed SEMI	46,781	7,974	68,281	8,500	5,443	-92.03%	(62,838)	6.60%	526
Cap Reserve Withdrawal									-
Fund Balance	-	-	3,500,000	-	3,893,695	11.25%	393,695		-
Non-Pub Transp Aid	-	92,878	-	90,000	90,000		90,000	-3.10%	(2,878)
<b>Budgeted Revenue</b>	<b>97,946,837</b>	<b>103,377,099</b>	<b>108,579,926</b>	<b>105,406,145</b>	<b>111,384,212</b>	<b>2.58%</b>	<b>2,804,286</b>	<b>1.96%</b>	<b>2,029,046</b>

# 25-26 TENTATIVE ADOPTED GENERAL FUND BUDGET EXPENDITURES (APPROPRIATIONS)

3/16/2025	Actual 22-23	Actual 23-24	Final Adopt. 24-25	Est. Act. 24-25	Tent. Adopt 25-26	26 vs '25	26 vs '25	25 vs '24	25 vs '24
						% Inc.	\$ Inc.	% Inc.	\$ Chnge.
						Est. vs PY	Est. vs PY	Est. vs PY	Est. vs PY
<b>Appropriations (Expenses):</b>									
Salaries	56,831,203	58,743,374	62,181,960	60,612,180	63,601,418	2.28%	1,419,458	3.18%	1,868,806
Benefits	16,791,208	17,267,791	19,598,845	18,065,484	20,735,732	5.80%	1,136,887	4.62%	797,693
	<u>73,622,411</u>	<u>76,011,165</u>	<u>81,780,805</u>	<u>78,677,664</u>	<u>84,337,150</u>	3.13%	2,556,345	3.51%	2,666,499
Charter School	6,898,642	7,624,503	8,116,712	7,888,643	8,002,002	-1.41%	(114,710)	3.46%	264,140
Insurance, Legal and Prof. Svcs.	2,004,302	2,176,441	2,044,651	1,983,746	2,063,695	0.93%	19,044	-8.85%	(192,696)
Maintenance, Custodial	2,297,660	2,136,347	1,803,000	2,444,058	1,805,953	0.16%	2,953	14.40%	307,710
Energy	1,673,728	1,732,491	1,727,511	1,752,796	1,809,810	4.76%	82,299	1.17%	20,304
Stndt Svcs.-Tuitions -Home Instr	4,190,413	4,878,841	5,139,280	4,774,238	4,991,300	-2.88%	(147,980)	-2.14%	(104,603)
Curriculum and Instruction	654,493	838,106	1,066,512	850,000	1,099,167	3.06%	32,655	1.42%	11,894
Technology	1,356,265	1,216,358	1,347,702	1,454,943	1,341,386	-0.47%	(6,316)	19.61%	238,584
School Budgets	1,256,430	1,160,885	1,344,000	1,040,712	1,354,859	0.81%	10,859	-10.35%	(120,173)
Transportation	2,835,870	3,334,915	3,284,676	3,469,328	3,642,177	10.88%	357,501	4.03%	134,413
Athletics	722,888	788,740	925,077	879,724	936,713	1.26%	11,636	11.54%	90,983
Supplies and Services	<u>23,890,690</u>	<u>25,887,628</u>	<u>26,799,121</u>	<u>26,538,186</u>	<u>27,047,062</u>	0.93%	247,941	2.51%	650,558
Total Expenditures	<u>97,513,101</u>	<u>101,898,794</u>	<u>108,579,926</u>	<u>105,215,851</u>	<u>111,384,212</u>	2.58%	2,804,286	3.26%	3,317,057
Surplus/(Deficit) of Rev.	<u>433,736</u>	<u>1,478,305</u>	<u>0</u>	<u>190,294</u>	<u>0</u>				

# Budget Related Question and Answer Session

