

Freehold Borough Board of Education

2025-2026 Budget Adoption

May 5, 2025



Freehold Borough School District

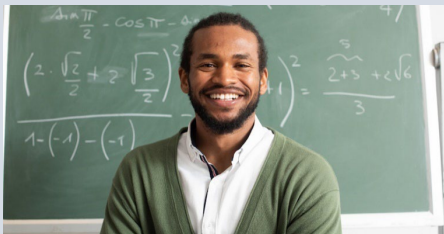
Budget Development Timeline

- 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
- April 10 – Budget was approved by the Executive County Superintendent
- April 24 – Budget was advertised in APP and NJ Star Ledger

Salaries

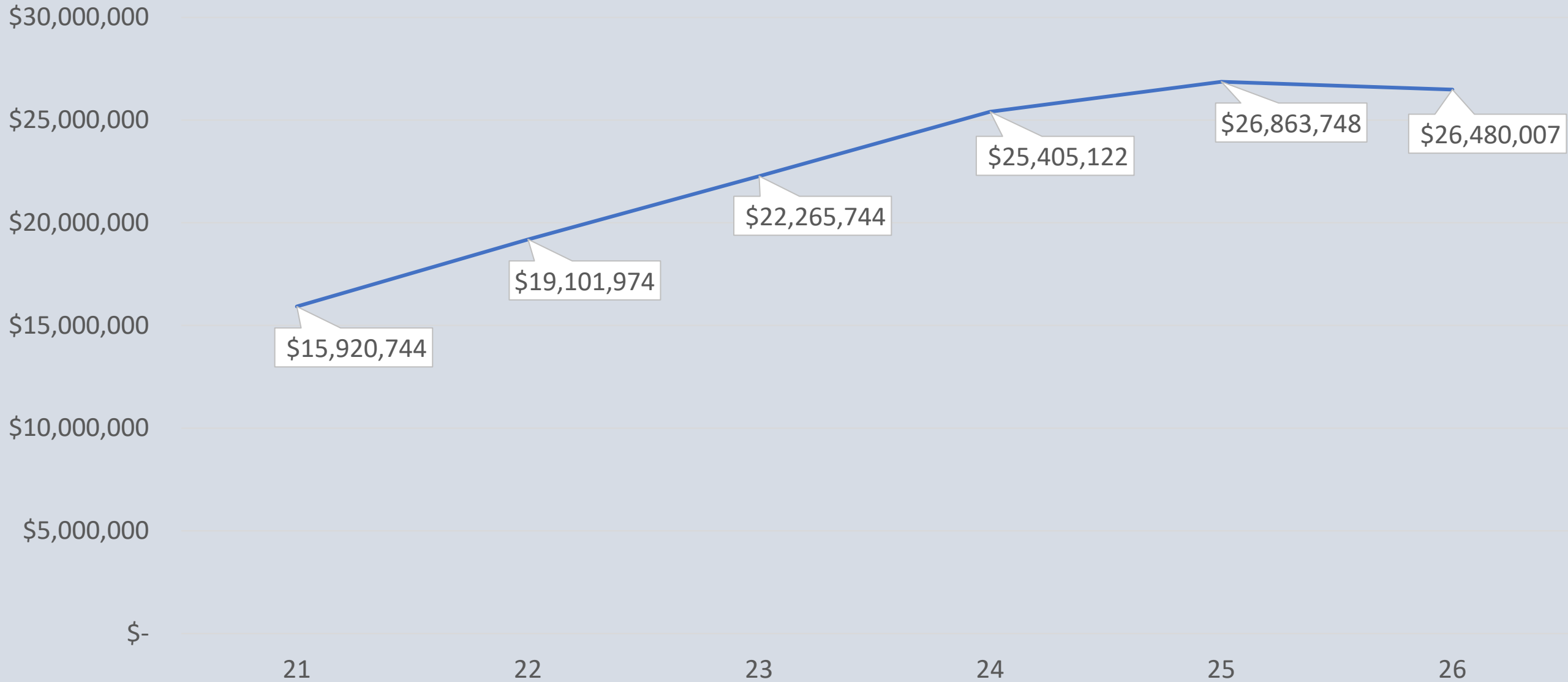
Collective Bargaining Units

- 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.
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- 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

Annual 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>	\$1,754,485	4.3%
SEMI <i>(Prior Year \$160,287)</i>	\$22,397	.1%
Extraordinary Aid	\$140,000	.3%
Misc. Rev. / Bank Interest / Facility Rental	\$50,000	.1%
Total Revenue:	\$40,324,908	100%

Annual Operating Expenses	2025 – 2026	% of Budget
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

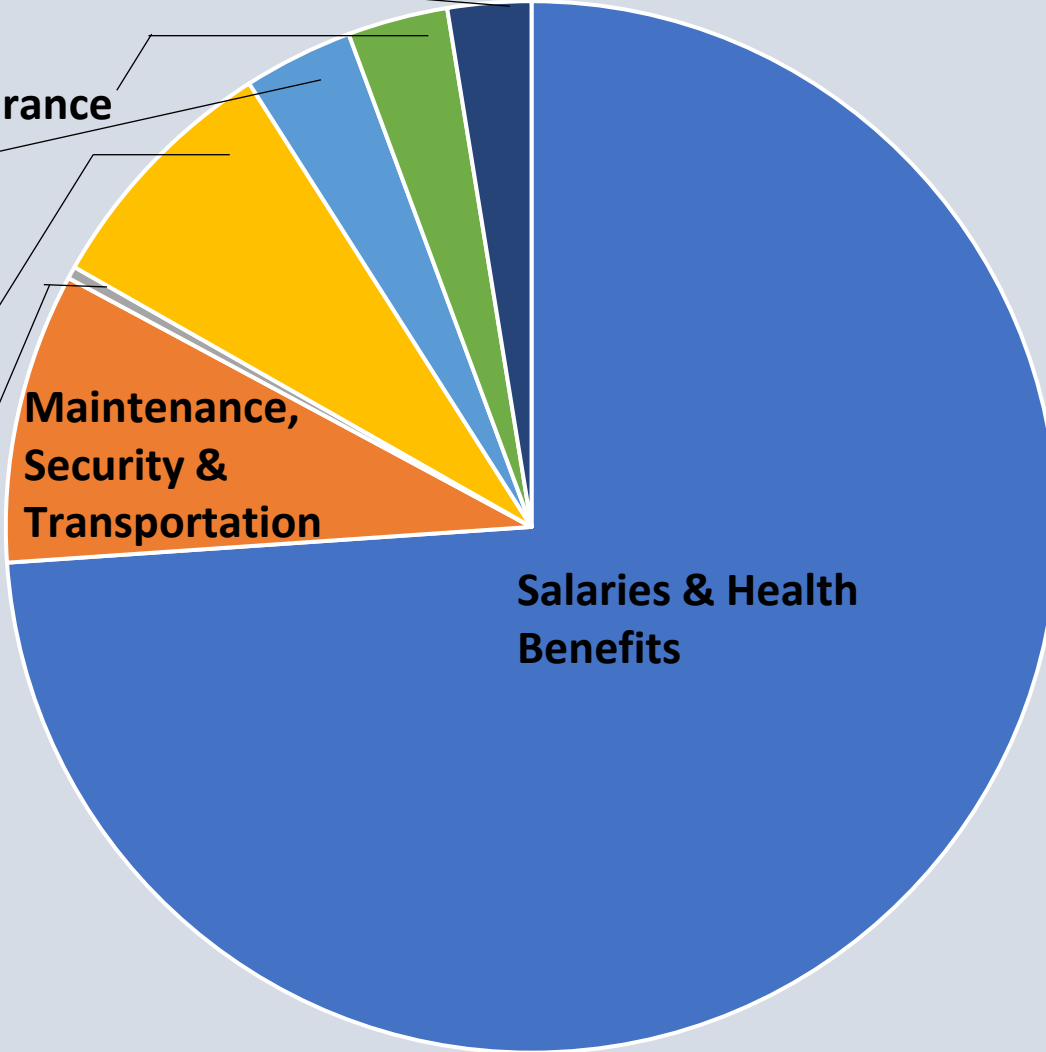
FIS, PAE, FLC and Tech. Supplies

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**



Freehold Borough School District

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
- Health Benefits → \$34,010
- **Grant Funds → \$267,687 (BA)**
- **Salaries → \$177,300 (Supt.)**



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
	Cap Adjustments:				
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
Debt Service	\$0	\$0
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

Freehold Borough School District

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

<u>25-26 \$875,000</u>	← 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	

2017 Bond Referendum

Statutory Law

- Proceeds that remain unspent upon completion of the project are unexpended bond proceeds.
- Each year by (NJ Admin. Code) the school district must use those proceeds to pay principal payments towards the bond schedule.

NJ Admin Code 6A:26-4.6 – 4.7
Title 18A:24 - 47

Options

- Transfer remaining proceeds to the Debt Service Fund by resolution and use annually to pay for the annual debt service principal payments.
- Voters may approve a change in purpose of the funds only by a ballot question that requires commissioner approval. If the board sought a change in purpose of the funds the question would have to appear on a November ballot referendum.
- Contact our Bond Attorney to present options to the BOE for the use of the remaining 2017 Bond Referendum Funds. (Strategic Plan FY 25)
- **Construction**
 - District wide improvements
 - Borough's pending construction projects. How will this affect future enrollment in the district?
 - New building purchase

Next Steps

- **May 5, 2025 – Public Hearing and adoption of the FY26 budget.**
- **48 hours after Public Hearing – User friendly budget is posted to the district website.**
- **July 1, 2025 – New fiscal year begins.**



Freehold Borough School District