

The Path Forward: Navigating the Fiscal Crisis in Jefferson Township Public Schools

A presentation on the 2026-2027 Budget deficit, how we got here, and the difficult choices ahead.

December 15, 2025

We face a projected \$4.8M budget gap for the 2026-2027 school year, even after maximizing the tax levy.

Category	Amount
Projected Benefits Increase	-\$2,628,700
Projected Payroll Increase	-\$1,309,000
Projected Reduction in Surplus (Carryover Funds)	-\$1,000,000
Other Expenditure Increases	-\$891,800
TOTAL ADDITIONAL EXPENDITURES	-\$5,829,500
2% Increase in Tax Levy	\$1,034,380
PROJECTED DEFICIT	-\$4,795,120

The district's rising, non-discretionary costs are significantly outpacing the state-mandated cap on revenue increases, creating a structural deficit.

The Impact of S-2

BUDGET YEAR	GENERAL FUND STATE AID	CURRENT YEAR INCREMENTAL LOSS	CURRENT YEAR LOSS VS. 17-18 SY
18-19	15,508,649	-554,620	-554,620
19-20	14,315,347	-1,193,302	-1,747,922
20-21	12,063,605	-2,251,742	-3,999,664
21-22	9,272,081	-2,791,524	-6,791,188
22-23	6,631,798	-2,640,283	-9,431,471
23-24	5,105,647	-1,526,151**	-10,957,622
24-25	4,849,657	-255,990**	-11,213,612

**Not inclusive of non-recurring Supplemental Stabilization Aid

7 YEAR CUMULATIVE LOSSES = 44,696,099

2025-2026 State Aid Review

Aid Category	24-25 Aid Received	Uncapped 25-26 Aid	Capped Aid Based on 6% Limit	Aid Denied Based on Arbitrary Limits
Equalization	\$1,772,561	\$0	N/A	N/A
Special Education	\$2,137,733	\$4,127,686	\$3,351,738	\$775,948
Security	\$303,337	\$404,346	\$328,335	\$76,011
Transportation	\$636,026	\$1,798,692	\$1,460,563	\$338,129
TOTAL	\$4,849,657	\$6,330,724	\$5,140,636	\$1,190,088

JEFFERSON IS DENIED CRITICAL FUNDING AFTER SEVEN YEARS OF UNCAPPED LOSSES

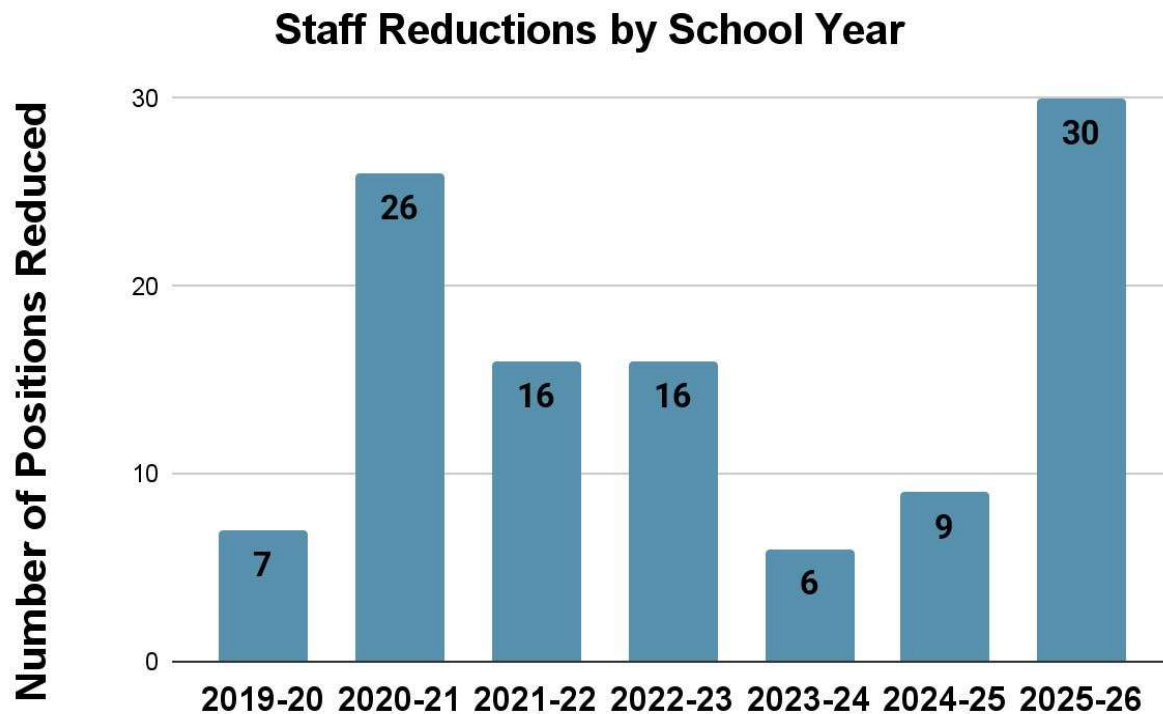
Over the years, the district has taken significant, difficult steps to manage escalating financial pressures.



Ongoing Actions

- Implemented user fees for athletics, extracurriculars, and parking.
- Repeatedly moved in and out of the State Health Plan to seek savings.
- Fully exhausted Capital and Maintenance reserve funds in prior years' budgets.
- Reconfigured the district and implemented a three-tier busing system.

We have consistently reduced staff across all areas, from the classroom to the central office.



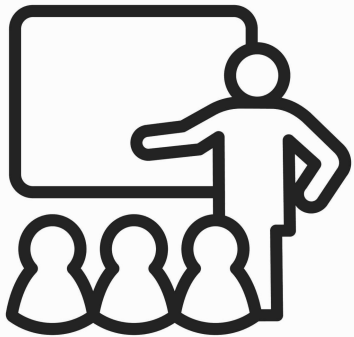
These reductions include: teachers, counselors, administrators, principals, instructional supervisors, secretaries, custodians, social workers, speech therapists, and support staff, impacting every facet of our operations.

To close a \$4.8M funding gap, the board must consider cuts that will fundamentally alter our school district.



The following items are not recommendations. They represent the scale and scope of reductions required to balance the budget under current constraints.

Balancing the budget would require larger classes, fewer teachers, and the elimination of critical academic support.



Increased Class Size (K-6)

Class sizes would rise to as many as 33 students.

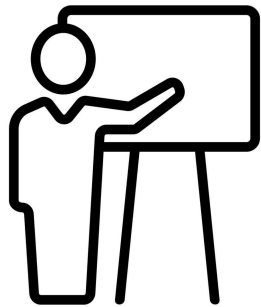
Potential Savings:
\$1,000,000 | 10 FTE



Eliminate Gifted & Talented

The G&T program at JTIS would be eliminated.

Potential Savings:
\$100,000 | 1 FTE



Reduce Instructional Staff

A reduction of four teachers across subject areas.

Potential Savings:
\$400,000 | 4 FTE

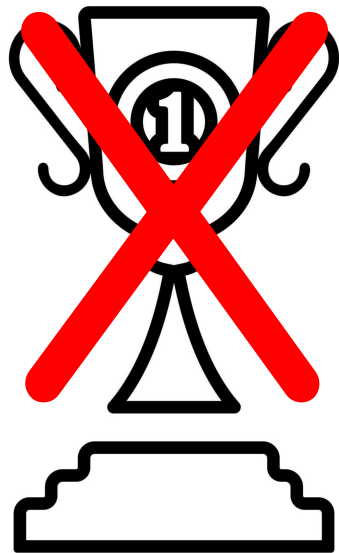


Eliminate Basic Skills Instruction

All supplemental reading and math support programs would be cut.

Potential Savings:
\$900,000 | 9 FTE

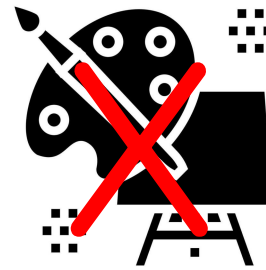
Extracurricular activities and athletics - cornerstones of the student experience - would be eliminated or drastically reduced.



Eliminate High School Athletics

All levels of high school sports - Freshmen, JV & Varsity and related transportation would be eliminated. This would also result in cutting the Athletic Director position.

Potential Savings: \$947,000



Reduce HS Extracurriculars by 50%

50% of after-school clubs and activities and related transportation costs.

Potential Savings: \$115,000



Eliminate JTIS & Elementary Extracurriculars

All after-school clubs and activities in elementary and intermediate schools.

Potential Savings: \$61,000



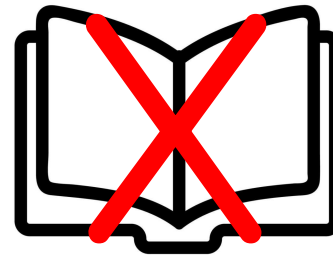
Programs that foster creativity, well-being, and student safety would be reduced to state minimums, changing the nature of our schools and introducing significant risk.



Reduce Counseling Services

Only 1 counselor would remain for 3 elementary schools, and JTIS would go from 4 to 2 counselors.

Potential Savings:
\$350,000 | 3.5 FTE



Reduce Nursing, Library Services & Support Staff

A reduction of 6 positions across the district.

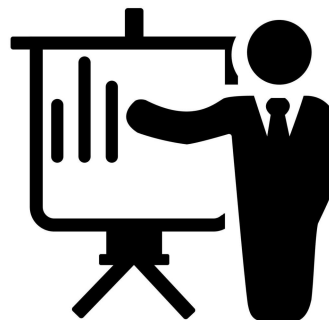
Potential Savings:
\$432,000 | 6 FTE



Eliminate Courtesy Bussing & Late Bus

Introduces significant risk.

Potential Savings: \$330,000



Eliminate an Instructional Supervisor

Restructure responsibilities and reduce support for staff.

Potential Savings: \$145,000

In total, closing the gap would require cutting over 30 positions and eliminating programs that define our district.

\$4.8 Million in reductions required after years of prior cuts.

A larger deficit will require elimination of specials/electives and a reduction in the length of the school day.

As we prepare the 26-27 budget for submission, the Board must choose one of three paths.

Option 1: Make the Cuts

Implement reductions outlined previously to balance the budget internally.

Consequence:

Fundamentally alters the district's educational programs and services.

Option 2: A Budget of Increased Revenue

Hold a special election to raise the tax levy beyond the 2% cap to prevent cuts.

Consequence: Preserves programs and staff but increases the local tax burden.

Option 3: An Unbalanced Budget

Submit a budget with a deficit to the New Jersey Department of Education.

Consequence: Results in a state-appointed monitor who assumes control over finances and make decisions without local approval.

This challenge belongs to all of us. Your voice is essential as we navigate this decision.

We invite the community to learn more and engage in this critical conversation.

FALCONS 4 FAIR FUNDING

Together, we must fight for the future of Jefferson Township Public Schools.