MAHWAH TOWNSHIP PUBLIC SCHOOLS

Preliminary Budget 2026-2027

Presentation 1 of 3
Revenue
March 25, 2026



State Revenue Sources

Tax Levy Cap

- New Jersey State law caps the school tax levy at a 2% increase.

Health Waiver Adjustments

- Health waiver adjustments are required if the district desires to go above the 2%. Waiver adjustments may be used for unusually high increases for health benefits and/or student enrollment.
- Health waiver adjustments expire annually.

Banked Cap

- Banked cap is the amount of taxing capacity below the 2% tax levy cap that the district did not use in the last three (3) years.
- Banked cap must be used within the next three (3) budget years.
- There is no Banked Cap available for the 2026-2027 school budget.

Revenue Calculations

2% Tax Levy Cap		1.93% Health Waiver		3.93% Tax Levy
$74,468,294	+	$1,411,291	=	$75,879,585

(2% increase equates to $1,460,163)

State and Federal Aid

State Aid

- 2025-2026: $5,026,856
- 2026-2027: $5,328,466
  - Transportation Aid
  - Special Education Aid
  - Security Aid

- YOY $ Difference: +$301,610
- YOY % Difference: +6.0%

SEMI

(Special Education Medicaid Initiative)

- 2025-2026: $8,789
- 2026-2027: $40,591

- YOY $ Difference: +$31,802
- YOY % Difference: +361.83%

Federal Grants

ESEA Titles I-IV and IDEA

ESEA- Titles I-IV

- 2025-2026: $185,862
- 2026-2027: $139,396

- YOY $ Difference: -$46,466
- YOY % Difference: -25.0%

IDEA

- 2025-2026: $688,014
- 2026-2027: $515,109

- YOY $ Difference: -$172,905
- YOY % Difference: -25.13%

Balancing the Budget

Reduction of Budgeted Fund Balance by 12.85%

- $2,506,002 budgeted in 26-27, versus $2,875,458 in prior year

Reduction of Reserve funding dependency by 80.77% YOY

- Emergency Reserve: No funds budgeted in 26-27, versus $200k in prior year
- Capital Reserve: No funds budgeted in 26-27, versus $800k in prior year
- Maintenance Reserve: $250k budgeted in 26-27, versus $300k in prior year

Continued fiscal prudence

- Reduction in technology and supplies, and evaluation of programs

Focus on Other Revenue opportunities

- Deploy deposited funds for maximum interest revenue

2026-2027 Revenue Analysis

Revenue Type	2025-26 Actual	2026-27 Budgeted	$ Difference	% Difference
Local Tax Levy	73,008,131	75,879,585	2,871,454	3.93%
Other Local Revenue (Rents & Royalties, Misc, Interest)	380,200	923,415	543,215	142.88%
State Aid	5,026,856	5,328,466	301,610	6.00%
Extraordinary Aid	300,000	800,000	500,000	166.67%
Federal Revenue (SEMI)	8,789	40,591	31,802	361.84%
Budgeted Fund Balance - Operating Budget	2,875,458	2,506,002	-369,456	-12.85%
Withdrawal from Maint. Reserve	300,000	250,000	-50,000	-16.67%
Withdrawal from Current Expense Emergency Rsv	200,000	0	-200,000	-100.00%
Adjustment for Prior Year Encumbrances	1,724,867	0	-1,724,867	-100.00%
SUBTOTAL- General Current Account	83,824,301	85,728,059	1,903,758	0
Withdraw from Cap Res-Excess Cost & Oth Cap Prj	800,000	0	-800,000	-100.00%
TOTAL OPERATING BUDGET	84,624,301	85,728,059	1,103,758	0
Other Restricted Entitlements	87,328	0	-87,328	-100.00%
TOTAL GRANTS AND ENTITLEMENTS	961,204	654,505	-306,699	-31.91%
TOTAL REVENUES/SOURCES	**85,585,505**	**86,382,564**	**797,059**	**0.93%**

2026-2027 Budget Calendar

March 25, 2026

- Review of Revenue Sources and Option for the Tax levy
- Adoption of Preliminary 26-27 Budget

April 8, 2026

- Expenditures
- Special Education, Benefits & Operations
- Enrollment, Personnel, Capital Outlay & Projects

April 29, 2026

- Summary & Adoption of 26-27 Budget