

2026-27 BUDGET

April 2026 - Budget Hearing





April Agenda

- A Year of Accomplishments and Achievement
- Budget Conditions
- Revenues and Expenditures
- Overcoming Obstacles and Changing Conditions
- Final Budget Details
- Tax Implications
- What Does the Future Hold
- Questions

Every Student, Every Day

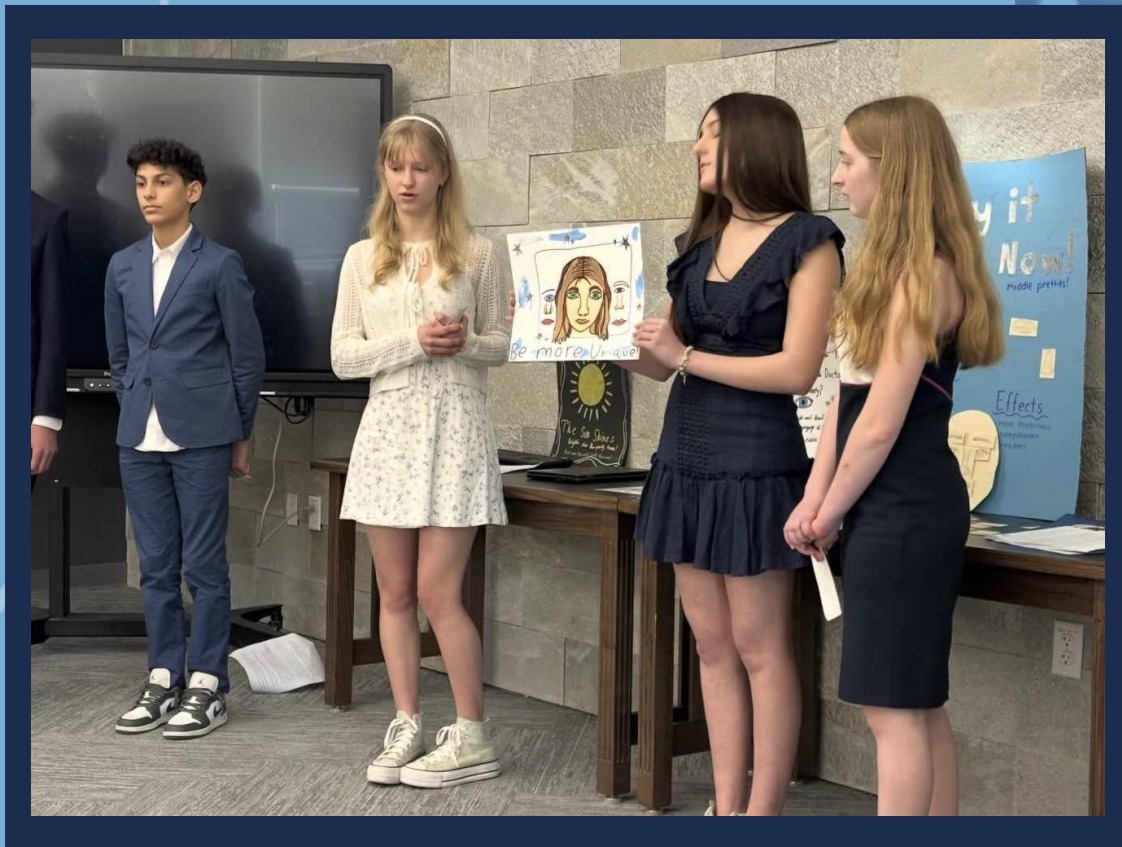


Mendham Township Elementary School

- Strengthening Grade 3 achievement in ELA and Math
- Hybrid instructional model with teacher specialization
- Targeted literacy and math benchmarks across grades
- Strong preschool alignment and family communication
- Prioritizing student well-being and social-emotional development
- Consistent literacy development aligned to CKLA

Elementary Student Learning in Action

Every Student, Every Day



Mendham Township Middle School

- Focus on data literacy and real-world application
- Integration of technology into instruction
- Development of analytical and problem-solving skills
- Strong emphasis on student engagement and school climate
- Classroom focus on collaboration and respect

Middle School Learning in Action



Proposed spending (needs)

\$27,654,253

FY 2026–2027 proposed plan

Maximum allowable budget

\$26,820,000

Based on allowable revenue / cap

Structural gap to close

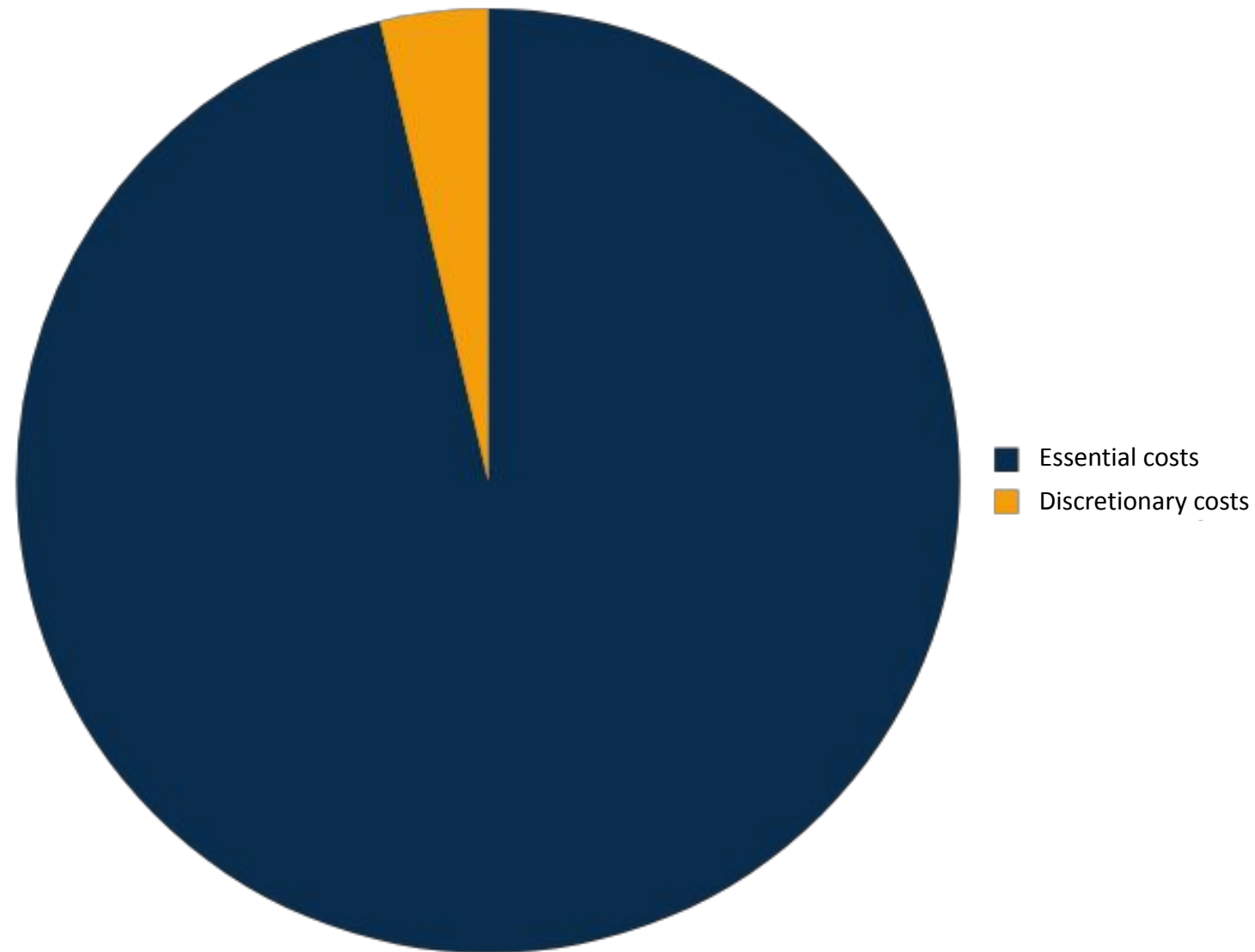
\$834,253

Difference vs. allowable

Key Takeaways

- Revenue growth is constrained (2% tax-levy cap)
- Spending pressures are concentrated in largely essential costs
- 95% of the allowable budget is in essential costs; only 5% is discretionary.
- Significant work has been done to increase revenue without additional tax levy and to reduce cost without significant impact on programs.

95% of the allowable budget is in essential costs; only 5% is discretionary.



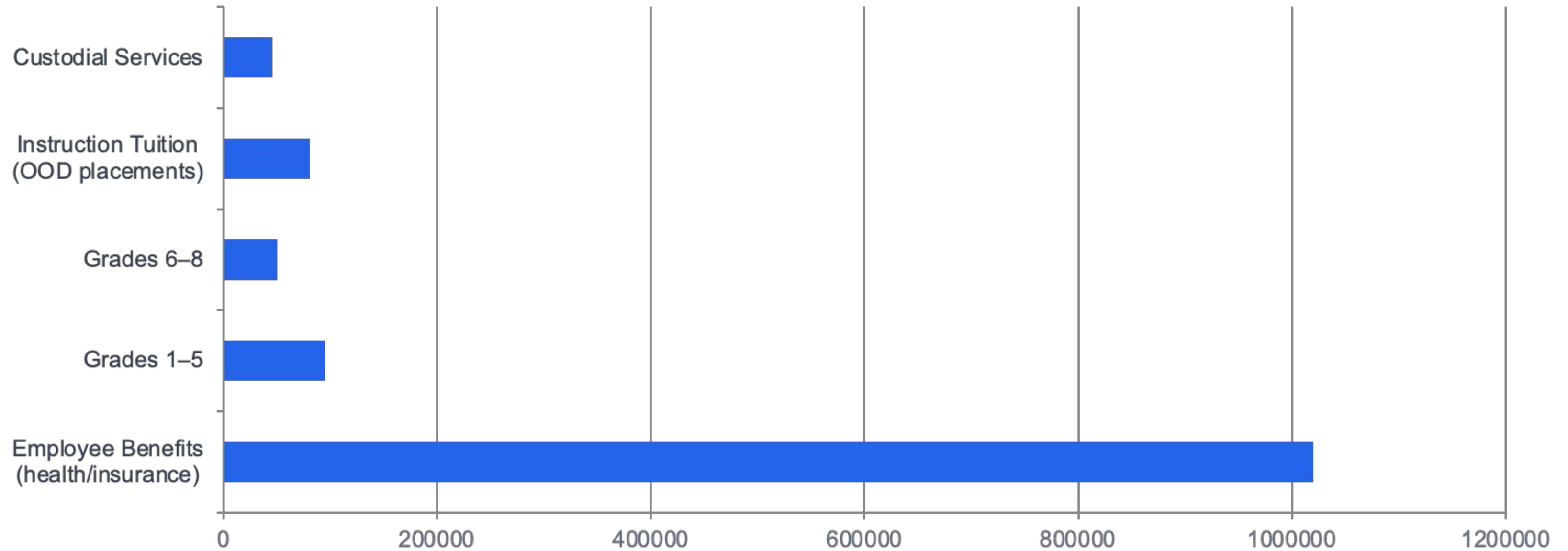
Essential costs include (share of total)

- Salaries: \$13,779,919 (51%)
- Benefits: \$7,014,913 (26%)
- Transportation: \$2,041,103 (8%)
- Special Education: \$2,124,981 (8%)
- Energy + Insurance: \$870,705 (4%)

Implication

Closing a large gap requires actions that touch staffing, services, or mandates — most dollars are already committed to essential services.

Largest increases are concentrated in benefits and mandated/student-driven services.



Context:

Employee benefit increase: \$1.02M
Employee salary increase: \$468,362
Special Education increase: \$147,968

Total: 1,636,330
8.28% of levy

Total allowable maximum revenue: \$26,820,000

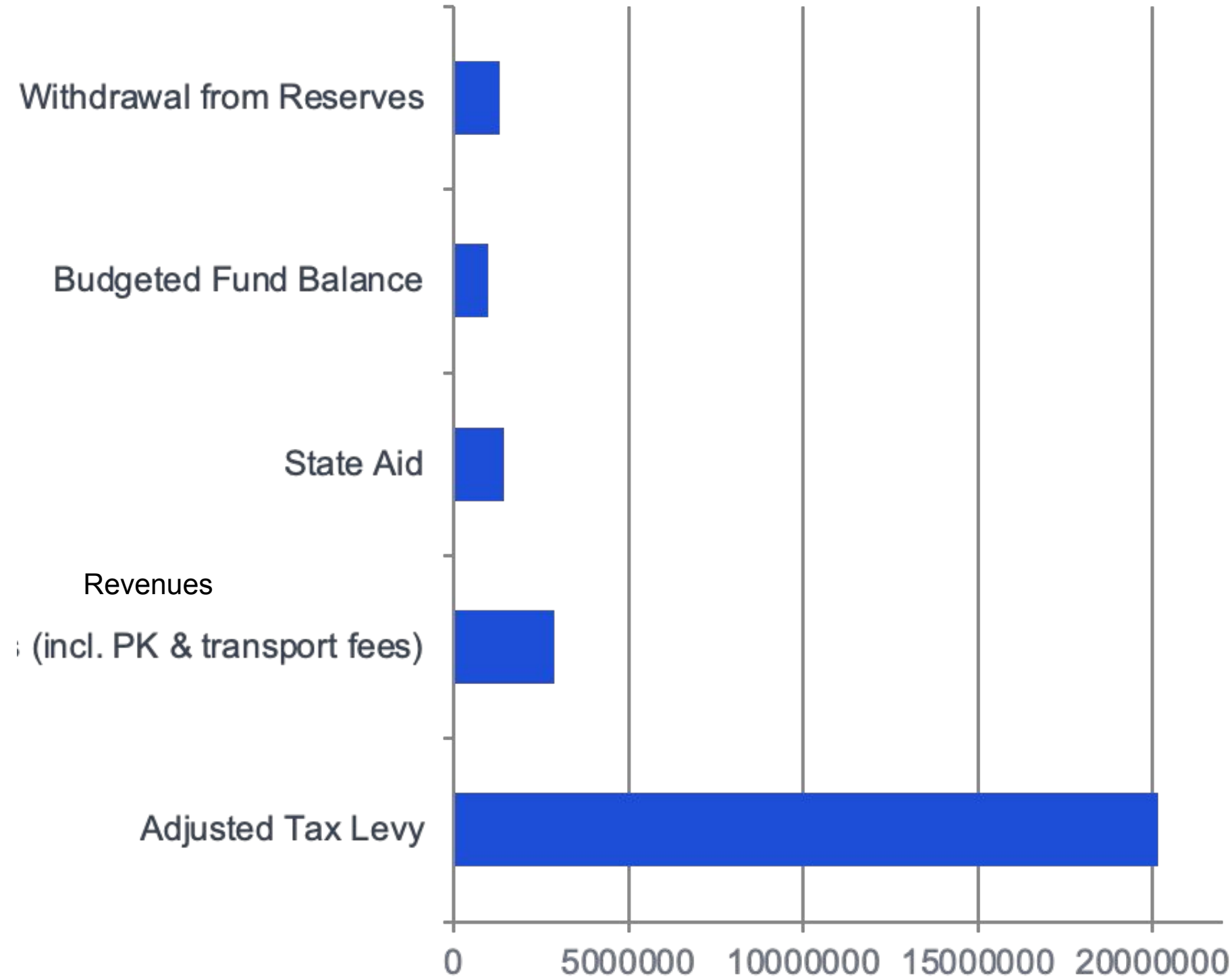
Composition of the allowable revenue plan (rounded)

What's driving growth

- **2% tax-levy cap**
Standard allowable statutory growth limit.
- **Local revenue increases**
Driven by changes in student fees and tuition collections.
- **Additional State Aid**
Allocations provided by the state to support educational mandates.

Revenue Strategy

The FY 2026–2027 plan focuses on maximizing allowable growth through statutory caps while optimizing local revenue streams and state assistance to maintain educational excellence.



Notable revenue changes

Transportation fees
+\$250k

Individual tuition
+\$27k



REDUCTIONS & REVENUE

REDUCTIONS

Faculty and Staff	\$94,036
Transportation	\$76,685
Support Staff	\$32,375
Additional Staff	\$9,475
Health Benefit Cost Reduction	\$127,000

ADDITIONAL REVENUE

STATE AID	\$85,644
PRE-K TUITON INCREASE	\$43,000

The remaining budget gap above 2% is **\$340,066 (1.72%)** for a total increase of **3.72%**.



BUDGET - STATE AID

	2025-2026	2026-2027
EDUCATION AID	-----	
CATEGORICAL TRANSPORTATION AID	\$532,366	\$555,960
CATEGORICAL SPECIAL EDUCATION AID	\$777,191	\$839,603
EQUALIZATION AID	-----	
CATEGORICAL SECURITY AID	\$117,851	\$117,489
ADJUSTMENT AID	-----	
TOTAL STATE AID	\$1,427,408	\$1,513,052
BUDGETED FUND BALANCE	\$992,589	\$986,969
WITHDRAWAL FROM RESERVE	\$1,300,000	



BUDGET HIGHLIGHTS

	2025-2026	2026-2027
TAX LEVY	\$19,179,522	\$19,770,618
TAX LEVY INCREASE	\$383,592	\$396,316
USE OF ADJUSTMENTS AND BANKED CAP	\$207,504	\$340,066
ADJUSTED TAX LEVY	\$19,770,618	\$20,507,000
TOTAL TUITION FROM INDIVIDUALS	\$44,480	\$78,729
TRANSPORTATION FEES	\$1,770,000	\$2,020,000
RENTS/INTEREST	\$28,430	\$30,500
REVENUE – PK TUITION	\$700,000	\$855,500
MISCELLANEOUS REVENUES	\$2,498,430	\$2,906,000

TAX IMPACT - Budget

How Does the Proposed Budget Impact My Taxes?



BUDGET YEAR	TAX LEVY	OVERALL BUDGET
26-27	\$20,507,000	\$27,292,000
25-26	\$19,770,618	\$26,033,775
DIFFERENCE	\$736,382	\$1,258,225

TAX IMPACT - Assessed Value

How Does the Proposed Budget Impact My Taxes?

2026-2027

ASSESSED VALUE

TAX IMPACT

\$100,000

\$12.10

\$1,236,977

\$149.34



BUDGET SUMMARY

- Balanced approach to closing a \$834,000 structural gap through revenue increases and targeted reductions
- Over \$255,000 in positive financial adjustments, State aid, benefits, and tuition improvements
- Approximately \$239,000 in operational reductions focused on attrition and minimal program impact
- 95% of the budget supports essential student services, instruction, staffing, transportation, and special education
- Final tax levy increase of approximately 3.72%
- Maintaining fiscal responsibility while supporting programs

What Does the Future Hold?



A Growing Structural Challenge: Costs Outpacing Revenues

- Revenue growth is limited to approximately **2% annually**
- State aid increases are **inconsistent and limited**
- Costs are rising **significantly** faster than revenues
(benefits, special education, transportation)
- Districts across New Jersey are making **staffing and program reductions** (<https://tinyurl.com/njbudget2026>)
- Without structural changes, **long-term sustainability is at risk**

What Does the Future Hold?



Learn Deeply. Care Deeply. Act Purposefully.



Learn Deeply

Literacy
Critical Thinking
Problem Solving



Care Deeply

Social-Emotional Learning
Wellness
Relationships



Act Purposefully

Collaboration & Creativity
Global Awareness
Civic Engagement



COMMUNITY CONVERSATIONS

- **Coffee Chats with the Superintendent, 10 AM**
 - March 2, April 20 (Brookside Community Club)
 - March 26 (Starbucks – Mendham)
- **Budget Open House**
 - April 21: 9 a.m AND 6 p.m. (MTMS)
- **Virtual Budget Open House**
 - April 23: 9 a.m
- **Mendham Township Committee Meeting**
 - TBD
- **BOE Meeting - Public Budget Hearing**
 - April 28: 7:30 p.m. (MTMS)



Questions?

Thank you to the Board of Education, especially the Operations and Finance Committee, for their dedication.

