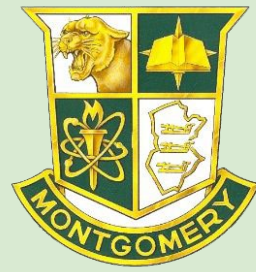


# Montgomery Township School District



## Public Hearing 2026-2027 School Budget

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# Maintaining Excellence

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April 28, 2026

# Montgomery Township School District



## Board of Education

- Mr. Patrick Todd, Board President
- Ms. Maria Spina, Board Vice President
- Ms. Victoria Franco-Herman
- Ms. Christina Harris
- Ms. Vanita Nargund
- Mr. Julius A. Nunez
- Ms. Francine Pfeffer
- Dr. Ting Wang
- Ms. Kathryn Worland
- Mrs. Mary E. McLoughlin, Superintendent of Schools
- Mr. Andrew Italiano, School Business Administrator/Board Secretary

# Montgomery Township School District



## Goals

### Goal 1: The Student Experience: Student Achievement, Teaching and Learning

MTSD will advance student learning and engagement by integrating UDL principles and personalized instruction, fostering authentic, real-world experiences driven by a revised Portrait of a Graduate. We will continue our work expanding community partnerships, refining core curricula through content analysis, and strategically building internal capacity for professional development.

# Montgomery Township School District



## Goals

### Goal 2: Communication, Community Engagement, and Outreach

MTSD is dedicated to enhancing district-community communication to foster stronger relationships essential for student success. Based on survey data and stakeholder feedback, we will prioritize refining communication tools while maintaining a strong connection with our township partners.

# Montgomery Township School District



## Goals

### Goal 3: Climate and Culture (Social-Emotional Learning (SEL) – Cultural Sensitivity, Health and Wellness, Resilience)

MTSD is committed to nurturing a healthy school climate and supporting student well-being through proactive programming, responsive interventions, and an inclusive curriculum. We will maintain our focus on addressing the potential risks of technology and social media, administer an annual climate survey to highlight areas of strength and growth, and intentionally recognize students who exemplify the core values we uphold.

# Montgomery Township School District



## Overview of Presentation

- Complete overview of the budget process
- Key drivers of the 2026-2027 budget
- Support student achievement and avoid cuts to programs and students to the greatest extent possible
- No new activity fees for parents due to budget challenges

# Montgomery Township School District



## What is a school budget ?

- Budget is a planning tool - It connects goals to resources. Priorities are decided (student achievement and which programs can we run), then the budget shows how money will be used to support them.
- Budget guides decision in advance (priorities vs what can be delayed)
- Budget is a 'working budget' meaning its flexible and can be adjusted
- Budget considers contingencies
- Budget is fiscally responsible
- Budget is a reflection of our goals
- Budget must consider regeneration of revenue based on our spending history and to rebuilt our reserves(fund balance-unexpended budgeted funds remaining at the end of the fiscal year)

# Montgomery Township School District



## Key Cost Drivers

- Salaries/Union Contracts
- Health Benefits
- Energy/Utilities
- Inflational increase across the board
- The key cost drivers cover the entire budget and are all up over 2%

# Montgomery Township School District



## Expenses change but taxes do not

- Expenses can change during the school year
- Taxes and State Aid DO NOT change during the school year
- The District faces new expenses and challenges
- The District can not ask for more money if expenses rise (we need to cut supplies, repairs, upgrades, staff and programs)

# Montgomery Township School District



## Budget challenges

- Expenses will continue to outrun revenues in the future
- It will become necessary to reduce expenses or increase revenue or do both in order to balance the budget based on the cost of our fixed contractual expenses
- *It will become necessary to increase revenue if the Board and community desire to maintain the current level of programs and activities offered*

# Montgomery Township School District



## Advanced Placement Courses

Art History	German Language
Biology	AP Economics (Macro/Micro)
Calculus AB	Physics C (Electricity and Magnetism)
Calculus BC	Spanish Language
Calculus C	Statistics
Chemistry	Studio Art: Photography
Computer Science A	Studio Art: 2D Design
English Language and Composition	US Government and Politics
English Literature and Composition	US History
Environmental Science	AP Seminar (2025-2026)
French Language	

## Concurrent Enrollment

Advanced Ceramics	French 4H
Ceramics	Latin 4H
English 12H	Spanish 4H

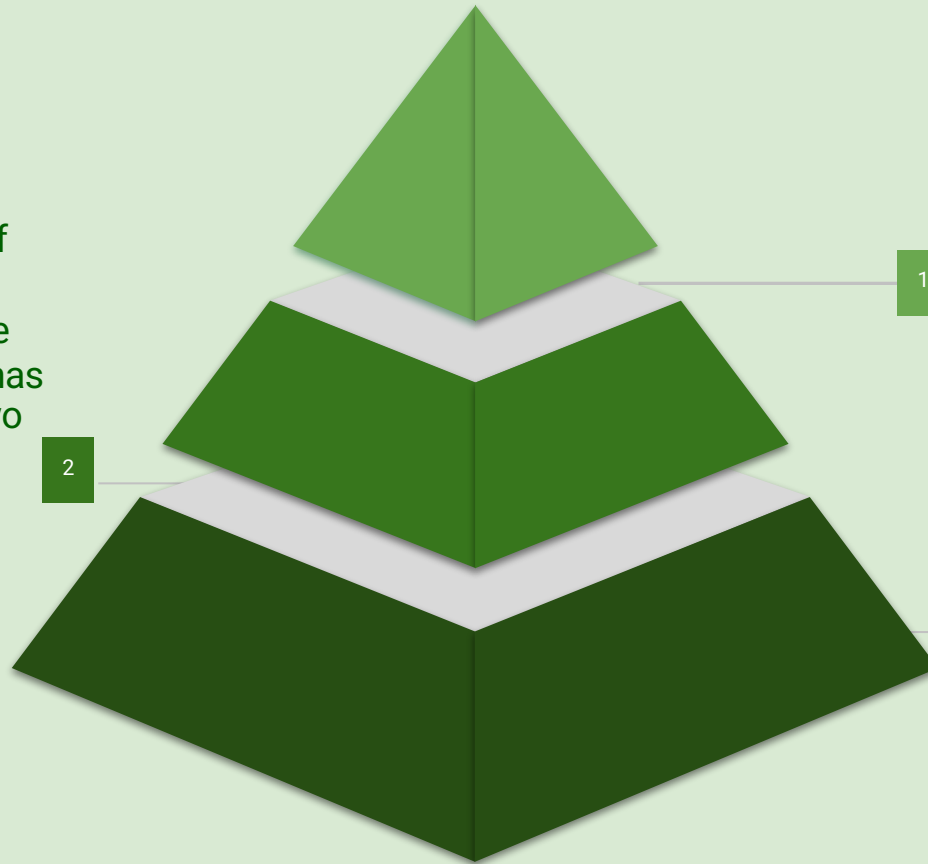
# Montgomery Township School District



## Budget Highlights: Curriculum

### World Language Program's Seal of Biliteracy

The New Jersey Seal of Biliteracy is an acknowledgment by the NJDOE that a student has achieved mastery of two or more languages.



### Concurrent Enrollment Expansion (New)- Seton Hall

Spanish 4,  
English 11H,  
PreCalc H,  
Calculus,  
Data Science,  
Analytics & Visualization,  
AP Environmental Science,  
AP Computer Science, and  
Chamber Choir

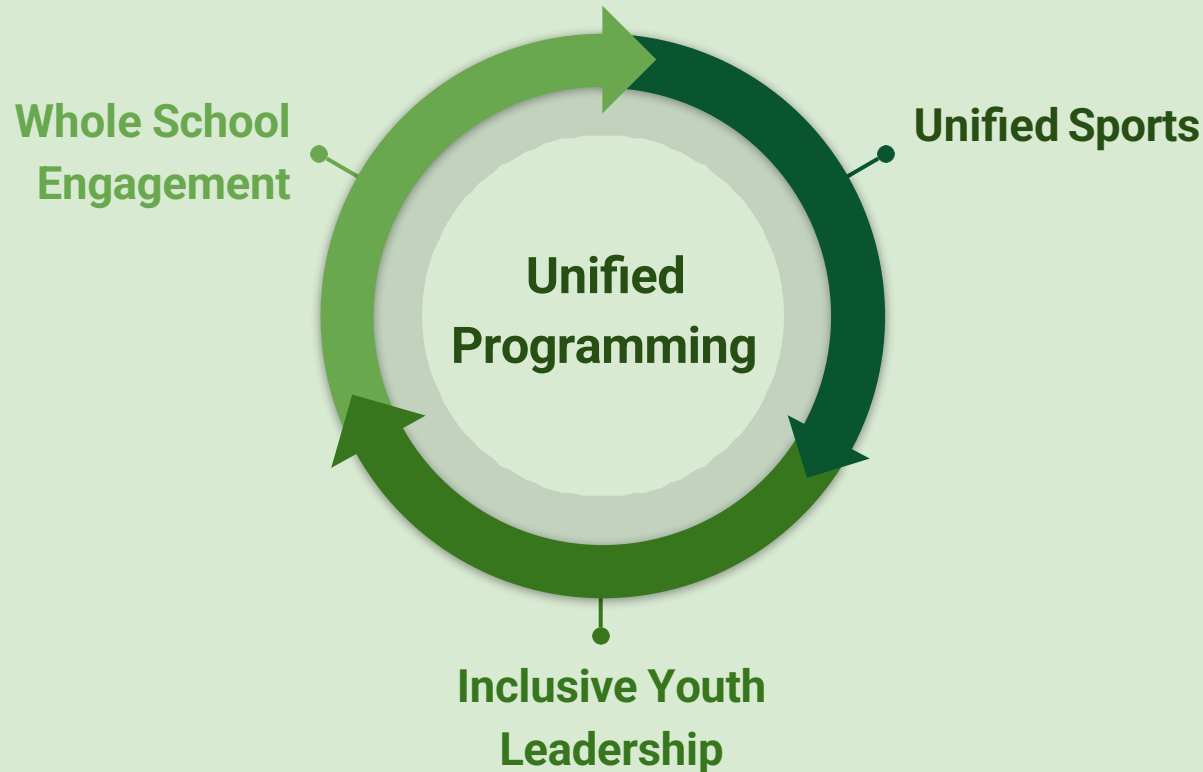
### AP Course Expansion

AP Research

# Montgomery Township School District



## Budget Highlights: Inclusion



Unified programming integrates students with and without disabilities in sports, leadership, and school activities to create inclusive school communities, improve student outcomes, and foster a culture of belonging. Unified programming aligns with the Unified Champion Schools framework.

# Montgomery Township School District



## Budget Highlights: Districtwide

### STEM Highlights

- Science Wing Maker Space
- Nationally Acclaimed Robotics Team
- Top Nationally Ranked Science Olympiad Team
- Dedicated Computer Lab for Engineering and Architecture Classes
- TV Production and Radio Broadcasting Studio

### UMS STEM Highlights

- Architecture
- Graphic Design
- Industrial Materials
- Computer Languages
- Web Design
- Robotics

### VPA Highlights

- Photography Dark Room
- Digital Photography, Graphics, and Design Lab
- High Percentage of Choral and Instrumental Students Accepted to NJMEA Region and All-State Ensembles
- State Champion Marching Band
- MHS Wind Ensemble invited to NJMEA State Conference
- Top of the line Ceramics Studio

### Gifted and Talented Programming

- UMS Podcasting Studio
- LMS Stop-Motion Filming Supplies
- Stem Engineering Kits
- Lego Robotics Kits

# Montgomery Township School District



## 2026-2027 Budget Development Process

The budget development process is always ongoing with the board, administration, and community

- **October:** Budget Managers informed of the budget development process.
- **December:** Budget requests due from all budget managers. Administrative review of budget requests and meetings with budget managers in an ongoing process through the receipt of state aid.
- **January/February:** Development of budget by Administration.

# Montgomery Township School District



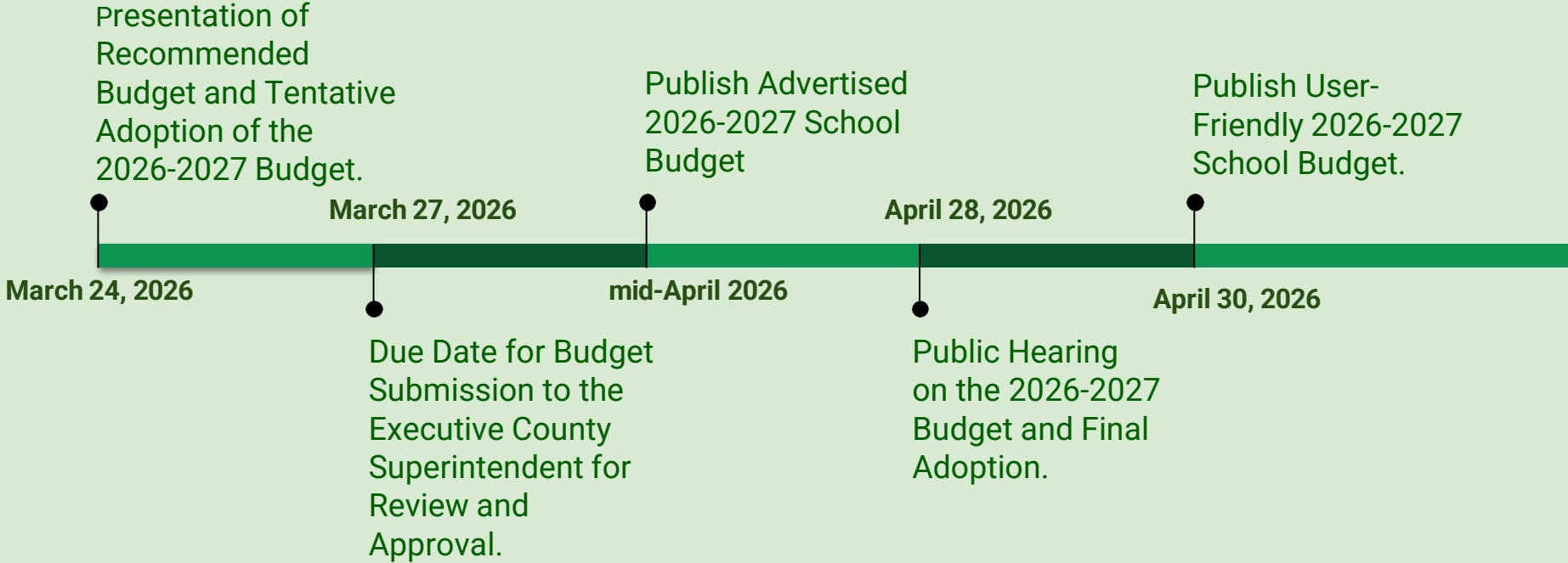
## 2026-2027 Budget Development Process

### Key Milestones

- **March 10, 2026** – Discussion of Recommended Budget with the Operations, Finance and Facilities Committee (OFF).
- **March 12, 2026** - Received State Aid amounts.
- **March 24, 2026** – Presentation of Recommended Budget and Tentative Adoption of the 2026-2027 Budget.
- **March 27, 2026** – Due Date for Budget Submission to the Executive County Superintendent for Review and Approval.
- **Between March 27, 2026 and April 28, 2026** - The tentative budget can be changed during this period.
- **April 28, 2026** – Public Hearing on the 2026-2027 Budget and Final Adoption.

# Montgomery Township School District

## 2026-2027 Budget Timeline



# Montgomery Township School District



## Where are we with our budgetary spending?

### 2023-2024 Total Spending Per Pupil

District Name	2023 24 Total Spending Per Pupil	Revenue: State %	Revenue: Local Taxes %	Revenue: Federal %	Revenue: Tuition %	Revenue: Use of Fund Balance %	Revenue: Other %	Student/ Teacher Ratio	Student/ Support Staff Ratio	Student/ Admin Ratio
Hillsborough Twp	25,006	32.40%	64.20%	3.00%	0.40%	0.00%	0.00%	11.5	72.3	224.1
Hamilton Twp	25,912	50.20%	40.10%	4.10%	0.10%	0.00%	5.50%	12.3	65	183.1
W Windsor- Plainsboro Reg	28,755	23.50%	70.20%	2.20%	0.20%	3.90%	0.00%	11.3	67.4	171.5
Lawrence Twp	29,805	26.00%	70.10%	3.00%	0.10%	0.00%	0.80%	11.1	52.3	136.4
Bridgewater-Raritan Reg	30,130	25.90%	72.30%	1.80%	0.10%	0.00%	0.00%	10.9	57.8	175.1
<b>Montgomery Twp</b>	<b>30,391</b>	<b>25.40%</b>	<b>72.10%</b>	<b>2.30%</b>	<b>0.20%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>11.4</b>	<b>55.1</b>	<b>121.6</b>
Bernards Twp	32,108	27.10%	69.30%	2.70%	0.50%	0.40%	0.00%	11.5	36.5	150.6
Princeton Public Schools	33,741	26.20%	68.10%	1.60%	3.80%*	0.00%	0.30%	10.4	53.6	108.2

Data from the NJDOE 2025 Taxpayers' Guide to Education Spending - comparison of Enrollment Group G and neighbors in the surrounding Greater Princeton area.

\*Tuition Revenue inclusive of Cranbury Sending Agreement

# Montgomery Township School District

## Where are we with our budgetary spending?

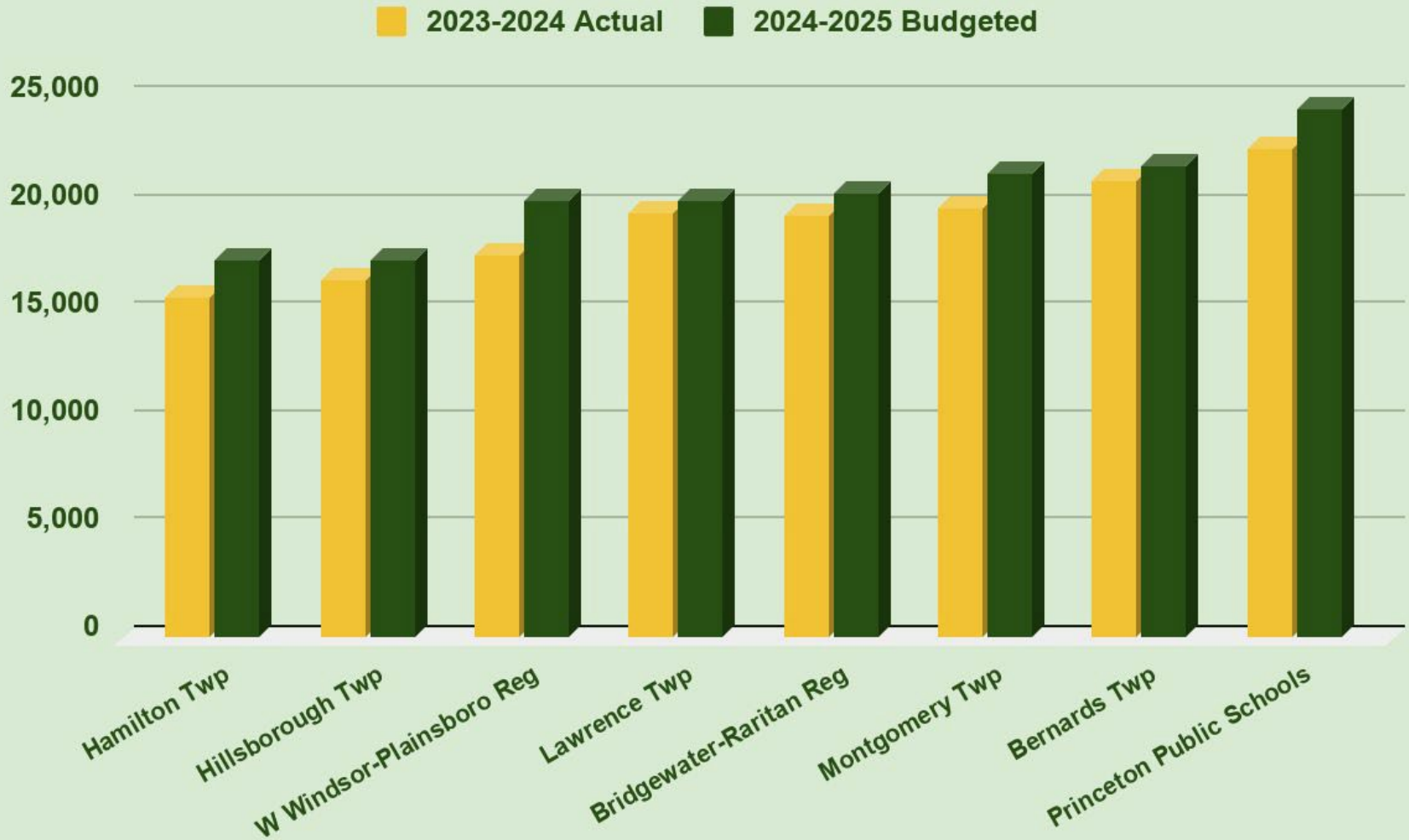


## Budgetary Cost Per Pupil

District Name	2023–24 Actual Per Pupil Amount	2024–25 Budgeted Per Pupil Amount
Hamilton Twp	15,818	17,503
Hillsborough Twp	16,566	17,560
W Windsor-Plainsboro Reg	17,792	20,249
Lawrence Twp	19,716	20,299
Bridgewater-Raritan Reg	19,529	20,621
<b>Montgomery Twp</b>	<b>19,958</b>	<b>21,567</b>
Bernards Twp	21,237	21,901
Princeton Public Schools	22,671	24,487

Data from the NJDOE 2025 Taxpayers' Guide to Education Spending - comparison of Enrollment Group G and neighbors in the surrounding Greater Princeton area.

# Montgomery Township School District Budgetary Cost Per Pupil



# Montgomery Township School District

## General Fund Local Tax Levy Calculation



### Calculating the General Fund Local Tax Levy

Required to absorb the historic state-level healthcare shock.

2026-2027 Starting Base .....	\$91,602,856
+ 2% Permitted Base Increase .....	\$1,832,057
+ <b>Healthcare Waiver &amp; Banked Cap .....</b>	<b>\$4,007,056</b>
<hr/>	
<b>= 2026-2027 Board Supported Tax Levy .....</b>	<b>\$97,441,969</b>

**Net Impact: A 6.37% Local Tax Levy Increase. No new activity fees will be introduced for parents due to budget challenges.**

# Montgomery Township School District

## 2026-2027 Revenues



Function	2025-2026*	2026-2027	+/- \$	+/-%
<b>General Fund</b>	<b>\$110,704,975</b>	<b>\$117,514,863</b>	<b>\$6,809,888</b>	<b>6.15%</b>
<b>Special Revenue Fund</b>	<b>\$1,065,279</b>	<b>\$1,171,397</b>	<b>\$106,118</b>	<b>9.96%</b>
<b>Debt Service Fund</b>	<b>\$5,947,273</b>	<b>\$4,916,648</b>	<b>-\$1,030,625</b>	<b>-17.33%</b>
<b>Total Recommended Budget</b>	<b>\$117,717,527</b>	<b>\$123,602,908</b>	<b>\$5,885,381</b>	<b>5.00%</b>

\* 2025-2026 figures are based on the Original 2025-2026 Adopted Budget.

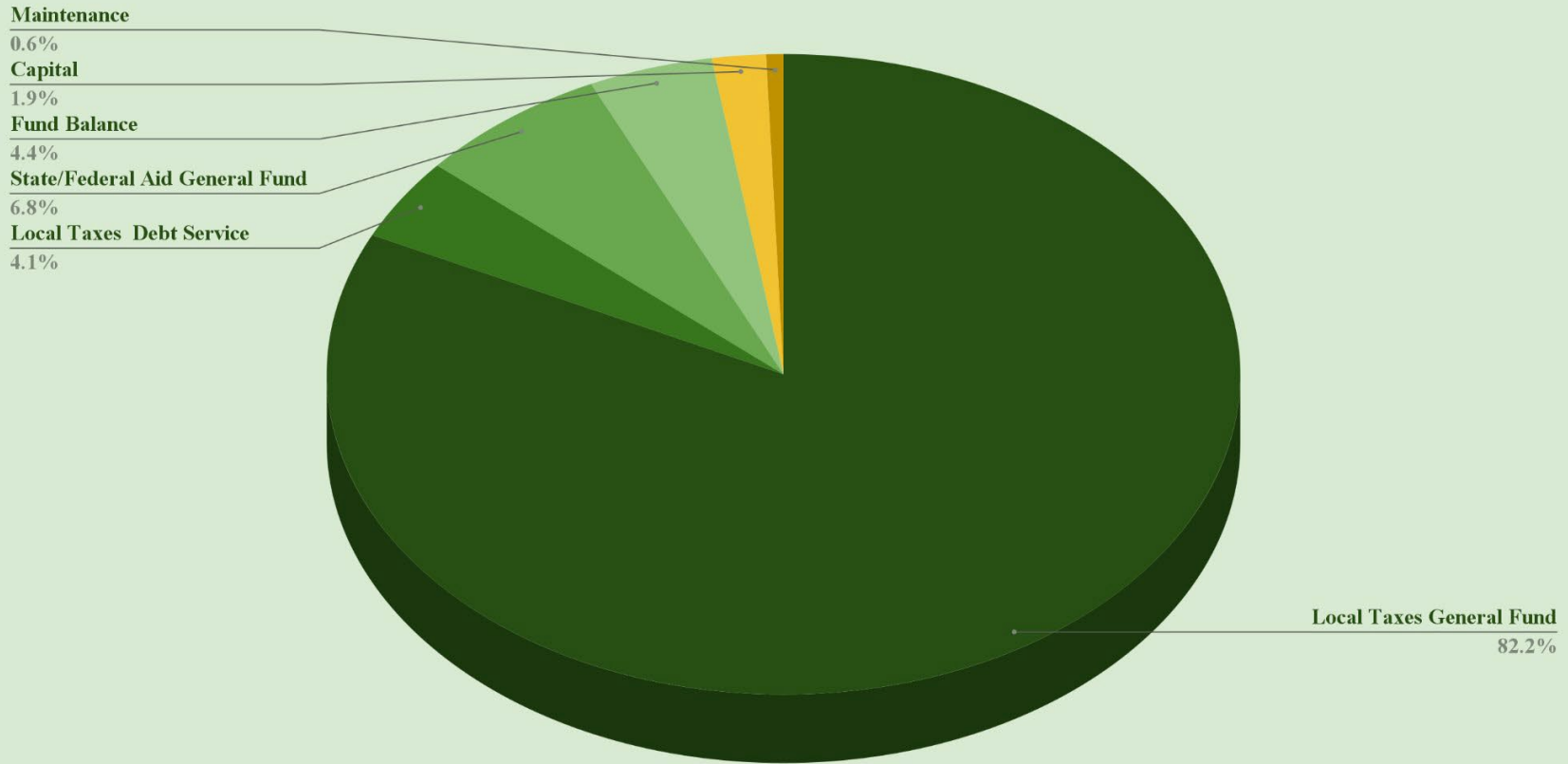
# Montgomery Township School District

## 2026-2027 Budget Major Sources of Revenue



Source		2026-2027	+/--\$	+/-%
<b>Local Taxes</b> page 1 line 100	<b>General Fund</b>	\$97,411,969	\$5,839,113	6.37%
page 2 lines 885+890	<b>Debt Service</b>	\$4,916,648	-\$1,030,625	-17.33%
<b>State Aid</b> NJ state aid lines 420-470 pg1	<b>General Fund</b>	\$8,028,399	(\$248,302)	-3.0%
<b>Reserves</b> line 580,600,620,630 pg 1	<b>Fund Balance</b>	\$5,215,677	\$669,629	14.73%
	<b>Capital</b>	\$2,267,610	\$834,690	58.25%
	<b>Maintenance</b>	\$725,000	\$169,500	30.51%

# Montgomery Township School District 2026-2027 Budget Major Sources of Revenue



# Montgomery Township School District

## 2026-2027 Appropriations

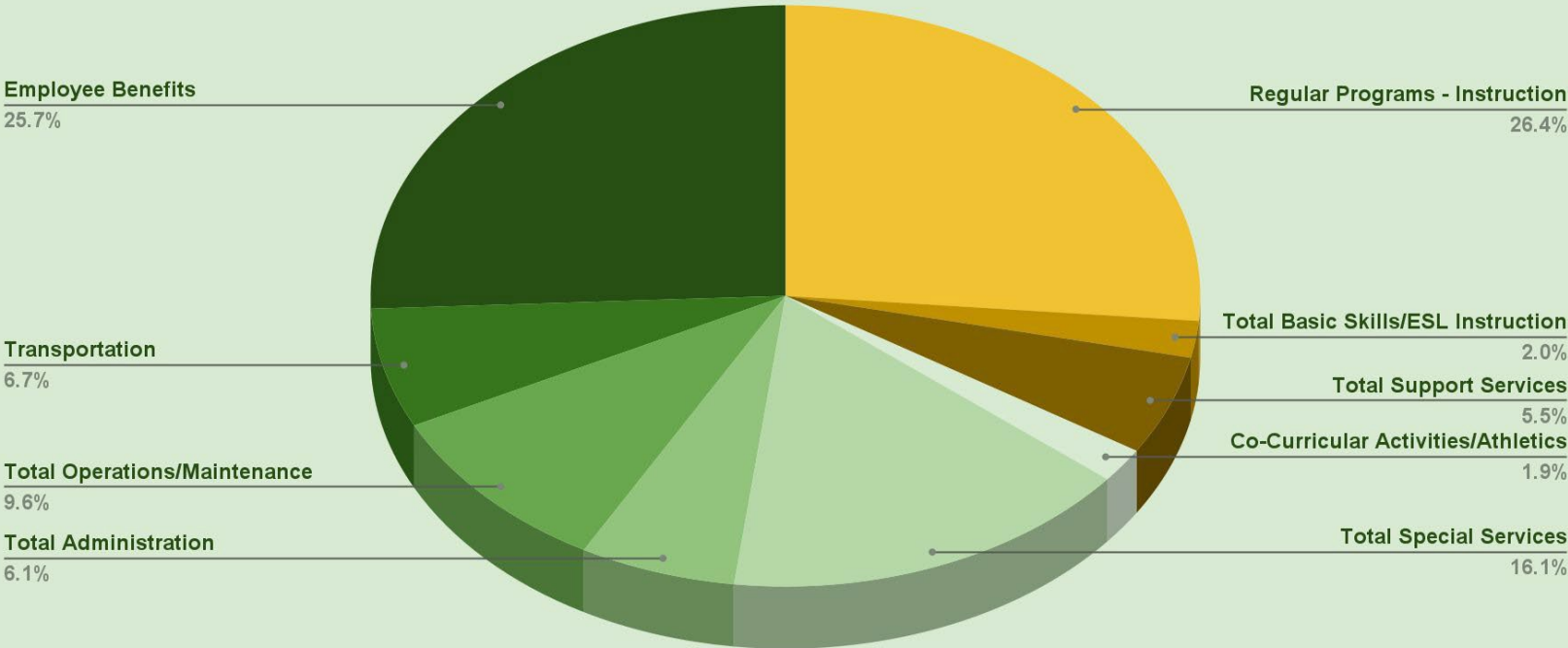


<u>Function</u>	<u>2026-2027</u>	<u>+/--\$</u>	<u>+/-%</u>
Regular Programs - Instruction	\$30,208,220	\$21,707	0.07%
Total Basic Skills/ESL Instruction	\$2,335,538	83,429	3.70%
Total Support Services	\$6,337,672	\$608,271	10.62%
Co-Curricular Activities/Athletics	\$2,197,227	261,764	13.52%
Total Special Services	\$18,455,624	-\$357,223	-1.90%
Total Administration	\$6,979,600	\$228,485	3.38%
Total Operations/Maintenance	\$10,957,216	\$895,657	9.66%
Transportation	\$7,619,040	\$649,757	9.32%
Employee Benefits	\$29,442,951	\$4,042,277	15.91%
Miscellaneous Interest Deposit	\$302		
<b>Current Expense Fund Other Funds</b>	<b>\$114,533,390</b>	<b>\$6,434,124</b>	<b>7.14%</b>
Transfer to Charter Schools	\$17,968	-\$50,658	-73.82%
Capital Outlay	\$2,963,505	\$356,610	13.68%
Special Revenue	\$1,171,397	\$106,118	9.96%
Debt Service	\$4,916,648	-\$1,030,625	-17.33%
<b>Total Budget</b>	<b>\$123,602,908</b>	<b>\$5,885,381</b>	<b>5.00%</b>

# Montgomery Township School District



## 2026-2027 Appropriations



# Montgomery Township School District



## Health Benefits Increases by District

<b>Princeton Public Schools</b>	<b>15.2%</b>
<b>West Windsor-Plainsboro Regional School District</b>	<b>18.0%</b>
<b>Bridgewater-Raritan Regional School District</b>	<b>16.8%</b>
<b>Lawrence Township Public Schools</b>	<b>13.7%</b>
<b>Hamilton Township School District</b>	<b>21.0%</b>
<b>Bernards Township Schools</b>	<b>13.9%</b>
<b>Montgomery Township Township School District</b>	<b>17.0%</b>
<b>Average</b>	<b>16.5%</b>
<b>NJ State Health Total Premium Increase for 2026</b>	<b>31.9%</b>
<b>NJ State Health RX Increase for 2026</b>	<b>58.6%</b>

*Data source: District public budget presentations*

# Montgomery Township School District



## Enrollment Trend



Data from 2024-2025 ACFR - Schedule J-17, based on ASSA Reports

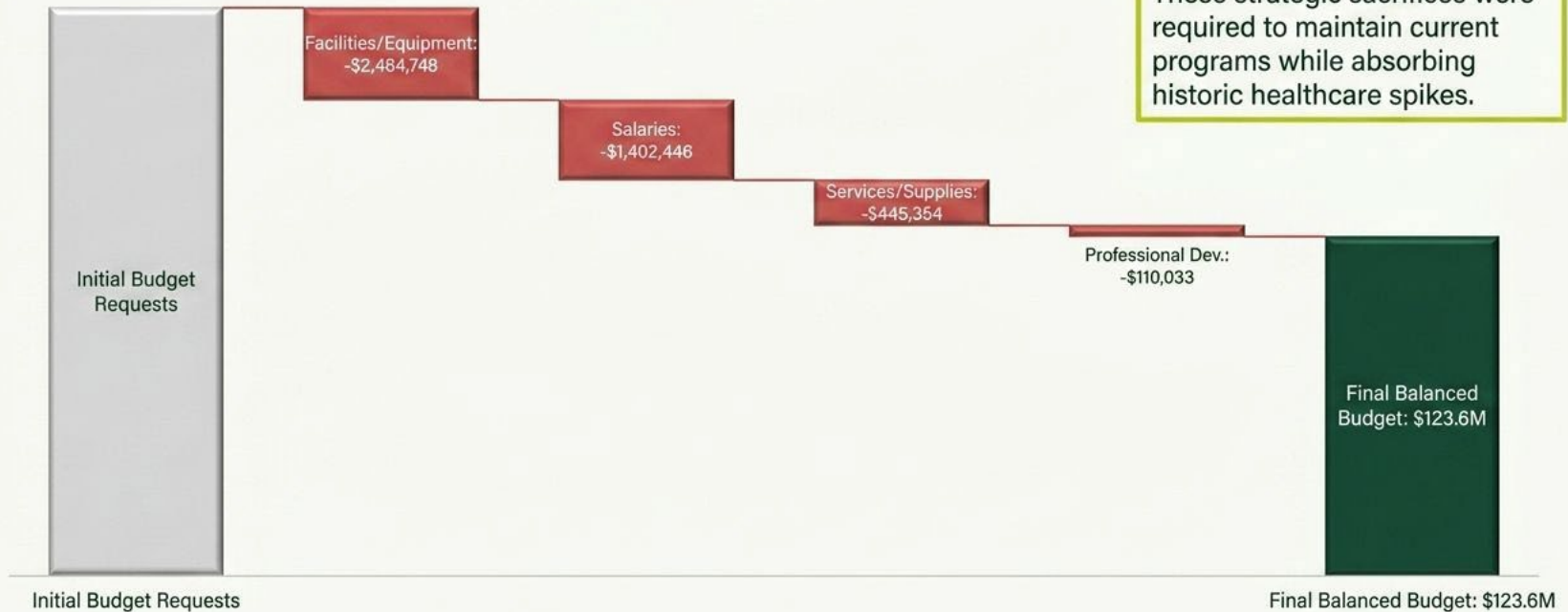
2026's figure is based on an anticipated 2.9% decrease in enrollment.

# Montgomery Township School District



## The Balancing Act: \$4.4M in Strategic Budget Cuts

Balancing Act Waterfall Chart



Total Reductions: \$4,422,581. These strategic sacrifices were required to maintain current programs while absorbing historic healthcare spikes.

# Montgomery Township School District



## 2026-2027 Dollars to Know

- ❑ Healthcare adjustments = \$3,131,093
- ❑ 2% Tax Levy Increase = \$1,832,057
- ❑ Banked Capital (due to expire 2025-2026) = \$875,963

# Montgomery Township School District



## 2026-27 Major Drivers of Cost

<u>Driver</u>	<u>Percentage of Current Expense</u>
Salaries	56.5%
Benefits	<b>25.7%</b>
Total	82.2%

Note: Except in rare situations most school budgets in the State have the salaries and benefits make-up 80-85% of the total budget.

# Montgomery Township School District 2026-2027 Major Capital/Maintenance Projects Funded Through Reserves



## Future-Proofing Infrastructure via Reserves



**Strategic Use of Funds:** Major capital maintenance projects are funded directly through district reserves (ROD Grants), avoiding additional burden on the annual operating tax levy.

### Funded Projects

ROD Grant -  
LMS HVAC  
Upgrades **\$1,989,100**

ROD Grant -  
MHS HVAC  
Upgrades **\$1,790,250**

# Montgomery Township School District



Thank you for continued support in  
the education of our children.

If you have additional questions, feel free to  
reach out to Andrew Italiano at  
[aitaliano@mtsd.us](mailto:aitaliano@mtsd.us)