MAHWAH TOWNSHIP PUBLIC SCHOOLS

Public Budget Hearing 2026-2027

Presentation 3 of 3

Public Budget Hearing



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)

Tax Impact

Net Valuation Taxable (NVT)

- 2026: $5,729,349,440
- Decrease of $69,935,8003

2026 Tax Impact on Average Home

- 2026 Average Valuation : $482,098
- $307.78 tax increase from prior year, or $25.65 per month

2026 Tax Impact per $100,000

- $1,299.34 per $100k
- $61.33 increase from prior year, or $5.14 per month

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%**



Special Education

The following costs are categorized to Special Education:

- Out of District Special Education Tuition
- In-District Pre-K→3 Autism Programs (BCSS)
- Related and Extraordinary Services
  - Speech, Physical & Occupational Therapy
  - 1:1 services, and Transportation
- General administration of the Child Study Team
- Special Education Staff Salaries
- ½ Day Preschool Disabled Program
- In and Out of District Special Education, Pre-K→12
  - 518 students
  - Special Education accounts for 28.47% of the proposed 26-27 Operating Budget (including Out of District Tuition and Transportation)

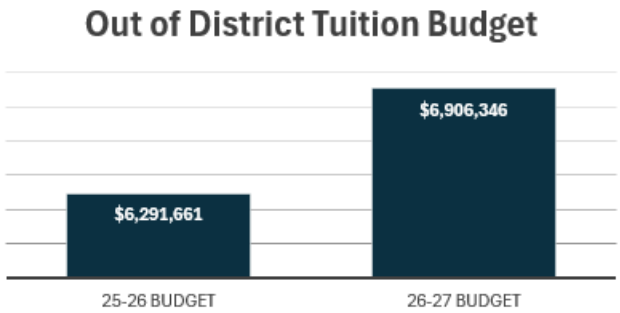
Out of District Costs

113 Students budgeted to attend a tuition-based school outside of Mahwah

- $6,906,346 or 8.06% of the operating budget

- **65 special education students**
  - Determined by IEP
  - PSD, BCSS, Public Schools

- **48 students**
  - Bergen County Vo-Tech and Academies
  - 2 are shared-time with Mahwah



Employee Benefits

26-27 Employee Benefits: $14,469,507, or 16.88% of the Operating Budget
This represents an increase of $1,544,131, or 11.95% from the prior year

Employee Benefits consists of the following Contractual Benefits:

- Health, Prescription, and Dental coverage
- Worker's Compensation
- Social Security
- Pension Payments from Board (PERS)
- Tuition Reimbursement
- Accumulated Sick Time

Medical, Prescription & Dental

Total Health Benefits Budget

- $11,953,440, or 13.94% of the total operating budget
  - Increase of 15.69% over prior year

Employee Contribution Budget

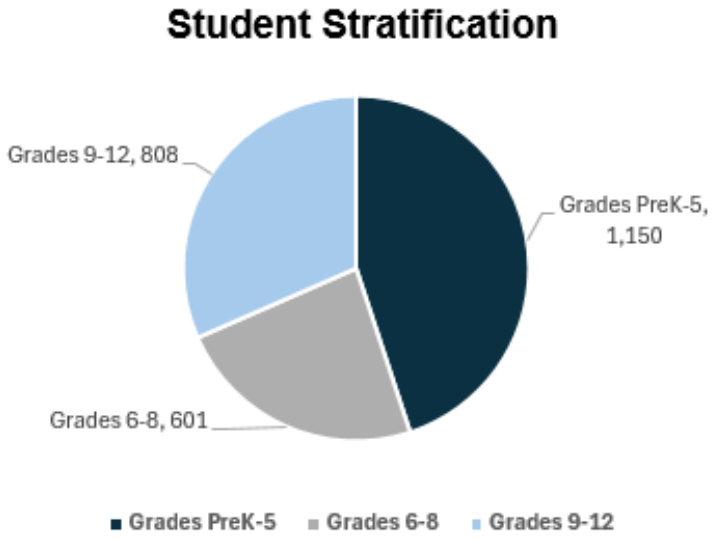
- $1,712,160, or 14.32% of health care costs

- Medical (Private as of Jan 2025)
  - Horizon Blue Cross Blue Shield NJ
    - Direct Access 10 or 15
  - NJ Educators or Garden State
- Prescription
  - Benecard
- Dental
  - Delta Dental

Enrollment

Student Enrollment as of October 2025:

- 2,559 students in grades Prek-12
  - Grades Prek-5: 1,150
  - Grades 6-8: 601
  - Grades 9-12: 808
- Decrease of 51 students district-wide from the October 2024 count



Staffing

- **$41,645,608 allocated for salaries for the 25/26 Budget**
  (48.58% of total operating Budget)

470 FTE (Full Time Equivalent) Staff

- For 2026-2027, staffing changes were budgeted based on need, in line with a decrease in enrollment:
  - Staff changes will not impact student programs or class size.
- For 2026-2027, a net decrease of 6 FTE positions is anticipated.

- Collective Bargaining Associations:
  - Mahwah Education Association
  - Mahwah Administrators' Association
  - Mahwah Supervisors' Association
- Independent Contracts and other associated costs

Transportation

Board Formally Established Transportation Committee as of January 2026

- Consistent oversight
- Improved continuity in decision-making
- Structured approach to addressing transportation matters

- Provides transportation for over 2,000 eligible in-district students in accordance with New Jersey statute and Board policy
- 100+ students are transported to out-of-district public/private schools.

- Transportation Efficiency Rating (higher indicates greater efficiency):
  - **Mahwah: 126%,**
  - Exceeds both state and county averages, which are approximately 100%

Transportation

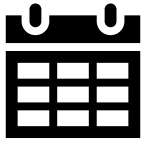
The Transportation Budget totals $7,148,479, representing 8.34% of the overall operating budget.

- Salaries, fuel, supplies, aid-in-lieu payments, and contracted services.
- To/From school transportation, field trips, athletics, summer school, and out-of-district transportation

Existing transportation contracts have been renewed for the 2026–2027 school year, with an increase aligned to the CPI rate of 3.58%.

2026-2027 Appropriations by Category

2026-2027 Appropriations	Budget	% of Operating Budget
Instructional Support, Curriculum, Guidance, Multimedia, Professional Development, Health Services	$4,347,301	5.07%
School Operations	$2,941,955	3.43%
District Operations, Technology	$3,120,322	3.64%
Maintenance, Custodial, Grounds, Security	$7,708,689	8.99%
Extra-Curricular & Athletics	$1,559,660	1.82%



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 of 26-27 Budget