

SOMERS POINT SCHOOL DISTRICT PUBLIC HEARING ON THE 2026-2027 SCHOOL YEAR BUDGET APRIL 30, 2026

Mr. Mark Leung, Interim Business Administrator
Mr. Theodore Pugliese, Superintendent of Schools



DISTRICT GOAL SUMMARIES

Goal #1: Student Achievement: Ensure lessons are delivered to students at their instructional, independent, and challenge levels to increase student performance.

Goal #2: School Climate and Culture: Create a unified school district that embraces our diversity, encourages community pride, and values academic achievement and education.

Goal #3: Communication and Parent/Community Partnerships: Ensure effective communication between home, school, and community in order to build strong partnerships that support our students and school community.

CURRENT YEAR BUDGET HIGHLIGHTS

- Our budget continues to allow us to offer free full day preschool for 3 & 4 year olds, including special education.
- Our budget supports our partnerships with Atlas and LinkIt, as we work together to write full standards based curriculum for all subjects and grade levels, and to develop new standards based grade level benchmark assessments to measure student achievement against the NJSLA (adaptive).
- Our budget also provides professional development (time and training) to support these efforts, as well as new technology for both schools.
- Our budget now includes the recent referendum with more than 5 million dollars in improvements and nearly 2 million dollars in state aid.

CURRENT YEAR BUDGET HIGHLIGHTS (Cont'd)

- Our budget supports our School Climate & Culture efforts including our SEL program with resources like Second Step.
- It supports our BPAG and SEPAG efforts as we continue to partner with our parent advisory groups to help support students beyond the classroom.
- Our budget supports district wide community events like STEAM Night, Family Literacy Night, and Multicultural Night, along with school plays at both schools.

CURRENT YEAR BUDGET HIGHLIGHTS (Cont'd)

- Preschool construction via the referendum is already underway.
- Security work is already underway at both schools.
- Federal Title funds and carryover from last year helped provide this year's MTSS model, and they will again next year, providing two additional teachers and helping to offset administrative costs.
- The NYA lease to Interactive Kids generates nearly \$100,000 in additional revenue.
- The city worked with us to lessen the tax impact of the lease, allowing us to save additional tax payer dollars.
- We created the CSA position to save on further administrative costs.
- We use our preschool expansion funds to provide teachers, paraprofessionals, and supplies, as well as providing additional relief for administrators and support staff.

BUDGET CALENDAR & PROCESS

- Special thanks to everybody involved in budget process, from the Board, its committees, the BA, administrators, and teachers.
Thank you very much!
- Thank you, residents, for supporting the referendum and allowing us to recoup 1.9 million dollars in state aid.
- Our process features a zero-based budget, built from scratch, starting with a wish budget of everything the principals & supervisors wanted.
- Then we started a series of cuts to match the revenues to the expenses to balance the budget.

BUDGET CALENDAR & PROCESS (Cont'd)

- Next, the Tentative Budget was presented to the Board of Education and approved at the March 26, 2026, Board meeting.
- It was submitted to the county office on March 27, 2026, for their review.
- County office approved the Tentative Budget on April 17, 2026.
- Preschool budget was approved on April 23, 2026, **with revisions***
- Tonight is the public budget hearing with a vote to Adopt the Final Budget after the presentation.

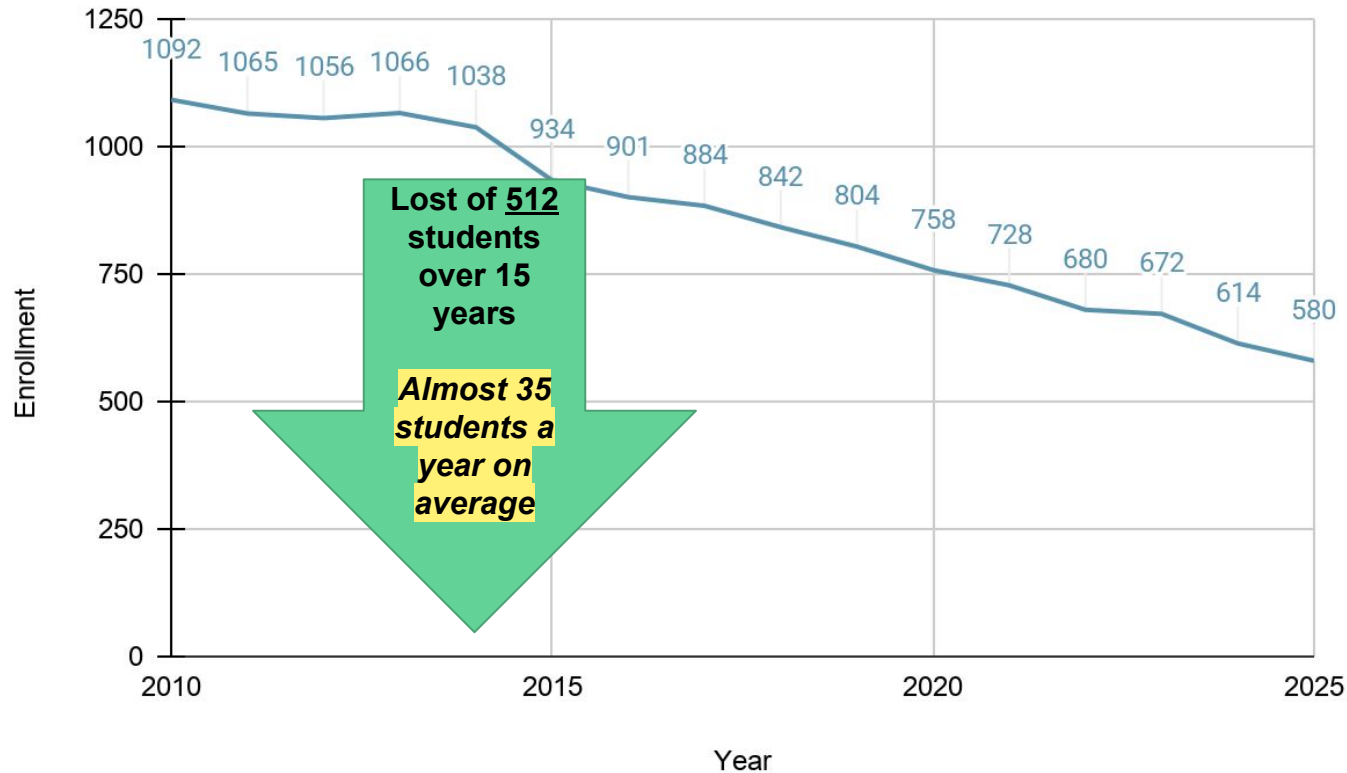
** Revision details will be shared on a future slide*

2010-2025 K-8 ENROLLMENT (Based upon 10/15/25 count)

- 2010 - 1092 students
- 2011 - 1065 students
- 2012 - 1056 students
- 2013 - 1066 students
- 2014 - 1038 students
- 2015 - 934 students
- 2016 - 901 students
- 2017 - 884 students
- 2018 - 842 students
- 2019 - 804 students
- 2020 - 758 students
- 2021 - 728 students
- 2022 - 680 students
- 2023 - 672 students
- 2024 - 614 students
- 2025 - 580 students

* Does not include Pre-K enrollment

2025 Pre-K Enrollment = 66



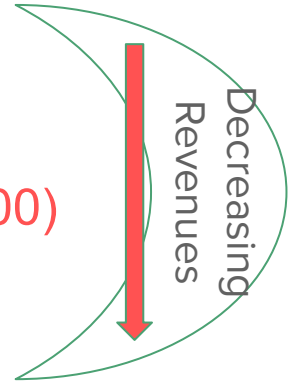
STATE AID (7 year S2 Bill ; 2018-2025)

Year	Enrollment	State Aid	Yearly Loss	Cumulative Loss
2018-19	842	\$6,187,598		
2019-20	804	\$5,790,495	\$397,103	\$397,103
2020-21	758	\$5,699,531	\$90,964	\$488,067
2021-22	728	\$5,637,868	\$61,663	\$549,730
2022-23	680	\$4,405,461	\$1,232,407	\$1,782,137
2023-24	672	\$3,301,645	\$1,103,816	\$2,885,953
2024-25	614	\$2,166,186	\$1,135,459	\$4,021,412
2025-26	580	\$2,101,200	\$64,986	\$4,086,398
2026-27	?	\$2,038,163	\$63,037	\$4,149,435

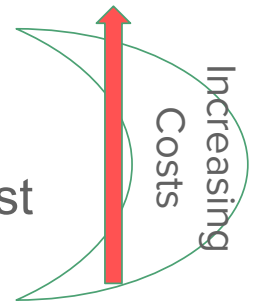
3% loss in state aid for FY27

BUDGETING CHALLENGES: DECREASING REVENUE & INCREASING OPERATING COSTS

- 3% State Aid reduction (-\$63,037)
- 6.38% Fund Balance reduction (-\$92,747)
- 33.3% Bank Interest reduction (-\$50,000)
- New York Avenue rent reduction due to property taxes (-\$30,000)
- No eligible banked cap for use in FY27 (-\$170,951)
- 15% Preschool Aid reduction (-\$227,645)



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- Anticipated Healthcare cost increases of 25% (+\$648,080)
 - Staff salary increases over the 2% tax levy cap
 - Anticipated Electricity cost increases of 5% and Natural Gas cost increases of 10%



REVENUE ADJUSTMENTS

- Use of Healthcare tax levy adjustment (+\$648,080)
- * Effectively, a general fund tax levy increase of 7.34%, which includes the 2% Cap & allowable Healthcare Adjustment.

BUDGET CUTS

- At first, we were facing a deficit of nearly 2 million dollars, including \$600K in budgeted fund balance, but we identified nearly half a million in surplus to offset this deficit.
- We were also facing an additional loss of state funding and out of control health insurance and utility costs, which the state was not going to address with our loss of state aid.
- In anticipation of this, we left the state health benefits plan and joined the SCHIF (Southern Coastal Health Insurance Fund).
 - This move saved us \$252K in the first year and about 1 million dollars over the first three years, but costs still went up (vs. 39.2% in the state plan).
- Unfortunately, further cuts were necessary to balance the budget.
- **These included 11 positions district wide. Almost 13, but I appealed the preschool budget to the state to save two positions.**
- From teachers and paraprofessionals to clerical and custodial positions across the district, **and that still wasn't enough.**
- Finally, we cut supply and professional services lines to close the budget gap.

FINAL BUDGET REVISIONS

(Changes after the Tentative Budget submission but before the Final Budget Hearing & Adoption)

- Special education finalization required more staffing adjustments, additional OOD tuition costs, and higher transportation costs to be budgeted
- A preschool budget change that required the inclusion of two additional special education students in the general education preschool classrooms. This required additional funding from the general fund to be budgeted to support the education of these students.

The general fund and debt service fund tax levies did NOT change from the Tentative Budget, which was approved by the Board of Education, submitted to the County, advertised in the newspaper, and approved by the Executive County Superintendent.

NEXT YEAR BUDGET HIGHLIGHTS

- Fortunately, resignations and retirements account for four (4) of the cut positions, saving jobs.
- We still have free full day preschool for 3 & 4 year olds.
- We still have ESL, Specials, and SEL.
- And we are still working with our partners to support our continued focus on student achievement, especially in ELA, math, and science.

NEXT YEAR BUDGET HIGHLIGHTS

- Despite all these efforts to balance the budget and provide our students with the programs and opportunities they deserve, we are still **\$449,083 below adequacy***.
- That means we are doing more with less than the State thinks we need to educate our students.
- That means there is no fat in this budget.
- And there is nothing else to cut at this time.
- **Again, we are almost \$450,000.00 below adequacy***.
 - Use of the health care adjustment helped cut this number in half, but that only pays for health care, not student services, so I have some concerns about this number.

**Adequacy Budget - for every school district the state calculates what would be the minimum necessary funding level to provide a “thorough and efficient education” to every pupil in that district.*

Budget: What's Included

BUDGET IS DEVELOPED ACCORDING TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES – OTHERWISE KNOWN AS “GAAP”

TWO SECTIONS of a **BALANCED BUDGET**

- REVENUES
- EXPENDITURES

**A SCHOOL BUDGET IS DIVIDED INTO FUNDS
– THINK OF THESE AS BUCKETS.**

FUND 10 – Operating Budget

FUND 20 – Restricted Funds Federal/State/Local

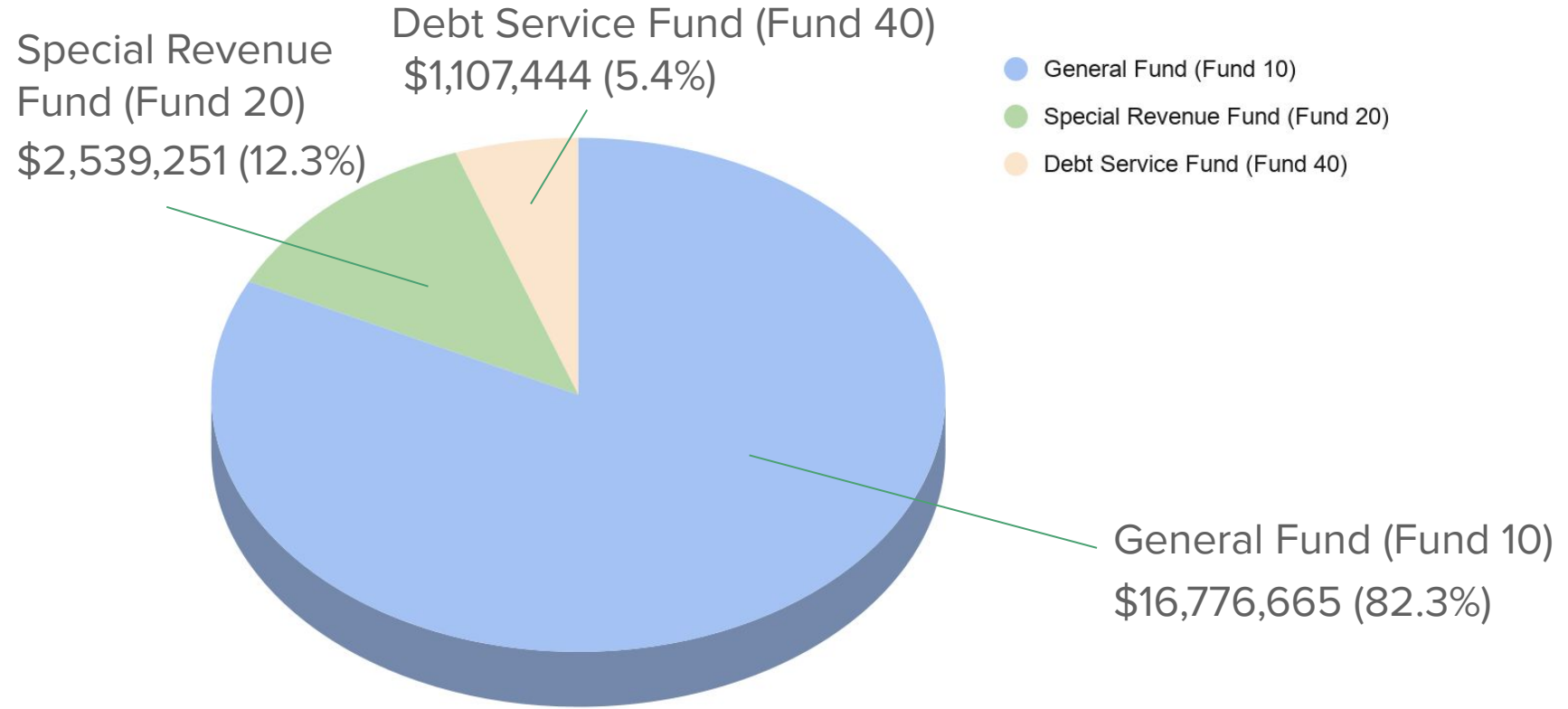
FUND 30 – Capital Improvements (Referendum/Grants/Local)

FUND 40 – Debt Service Payments (Referendums 2016 & 2025)

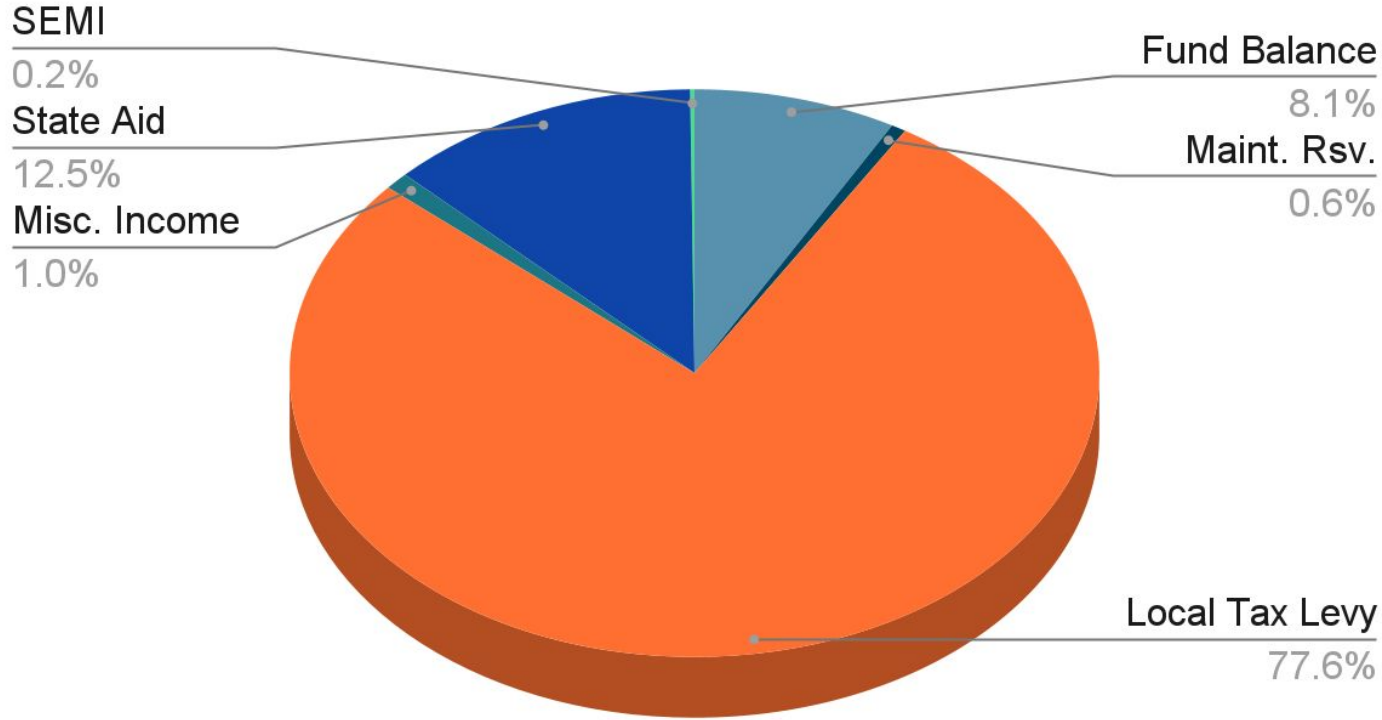


**2026-2027
GRAND TOTAL BUDGET
\$20,423,360**

2026-2027 TOTAL REVENUE BUDGET (\$20,423,360)

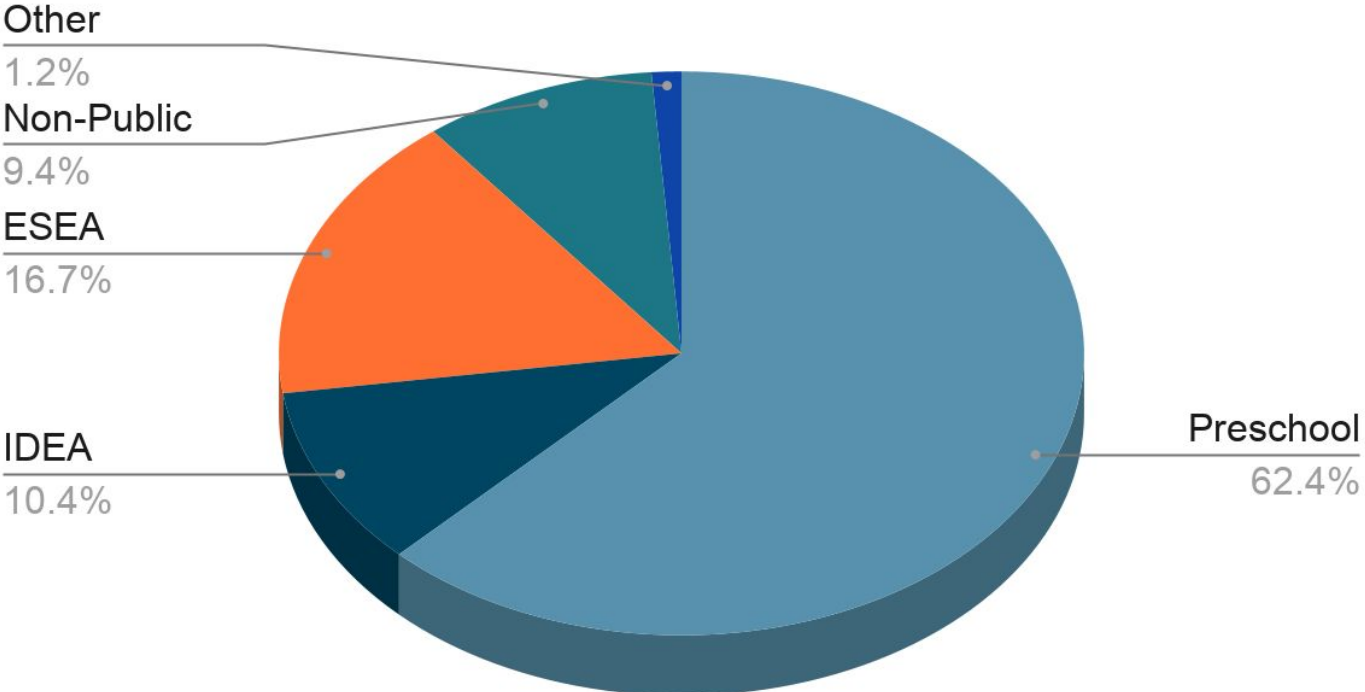


2026-2027 General Revenue (Fund 10) (\$16,776,665)



Tax Levy	\$13,023,322
State Aid	\$2,098,163
Fund Bal	\$1,361,497
Maint Rsv	\$100,000
Misc Inc.	\$164,750
SEMI	\$28,933

2026-2027 Special/Restricted Revenue (Fund 20) \$2,539,251

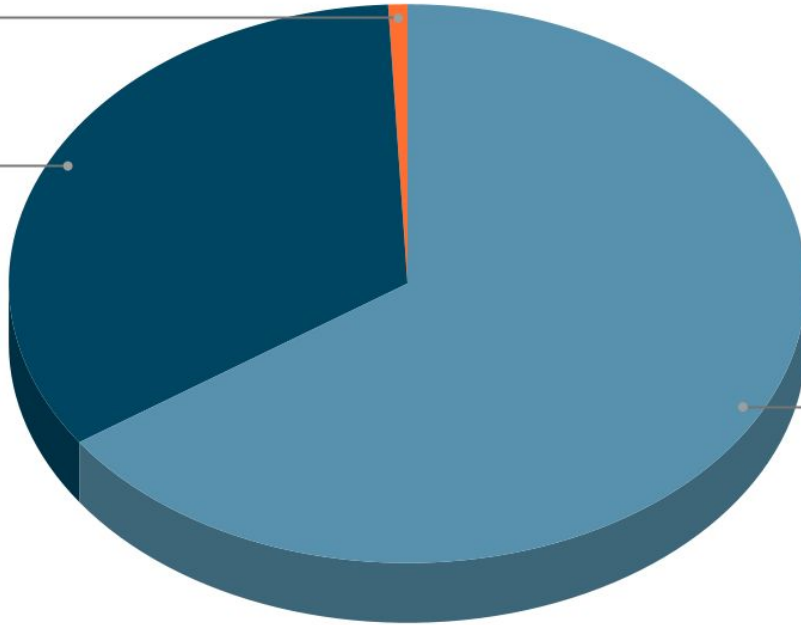


Actual:	
Preschool (State)	\$1,595,904
Anticipated (budgeted 85%):	
ESEA (Federal)	\$418,446
IDEA (Federal)	\$259,754
Non-Public (State)	\$235,147
Other (Local)	\$30,000

2026-2027 Debt Service Revenue (Fund 40) \$1,107,444

DS Fund Balance
0.8%

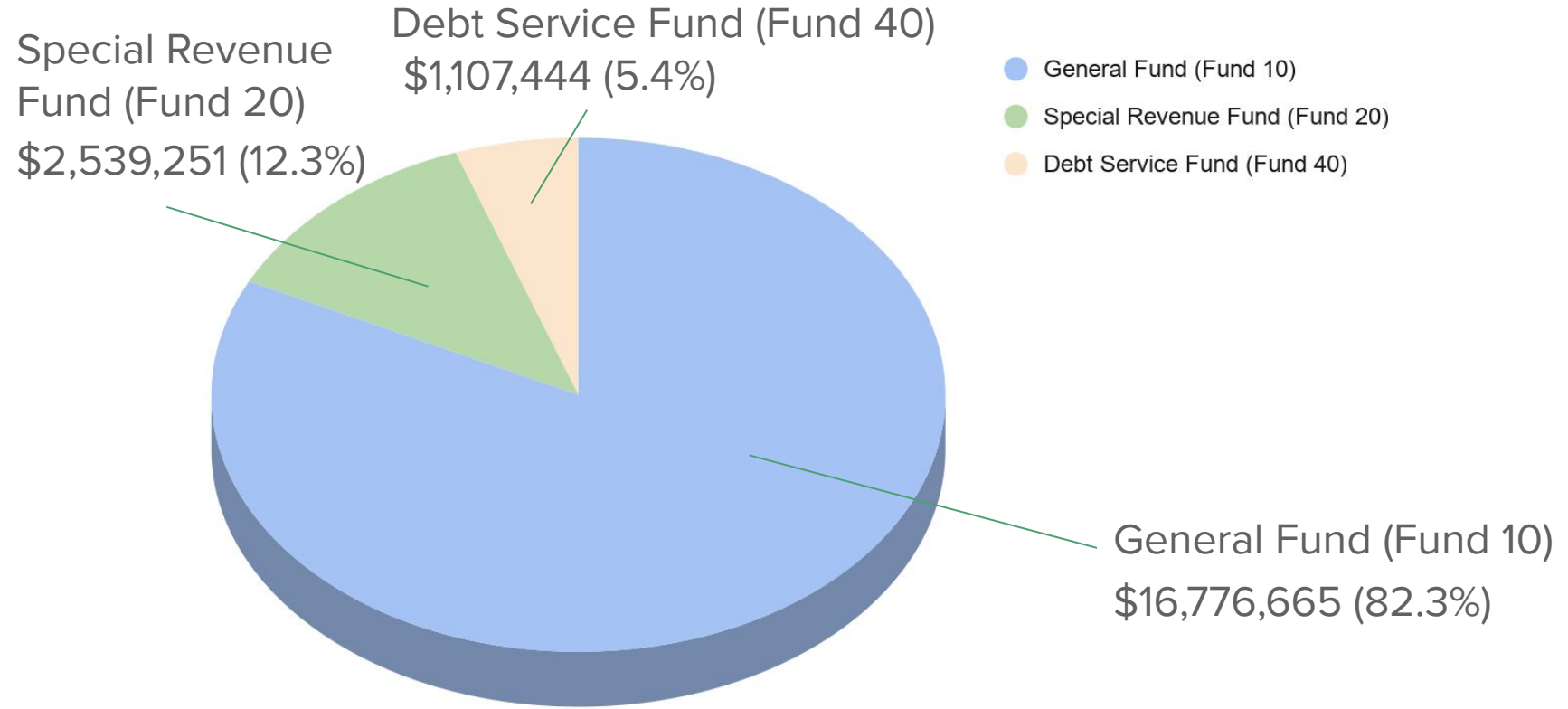
Debt Service Aid
33.8%



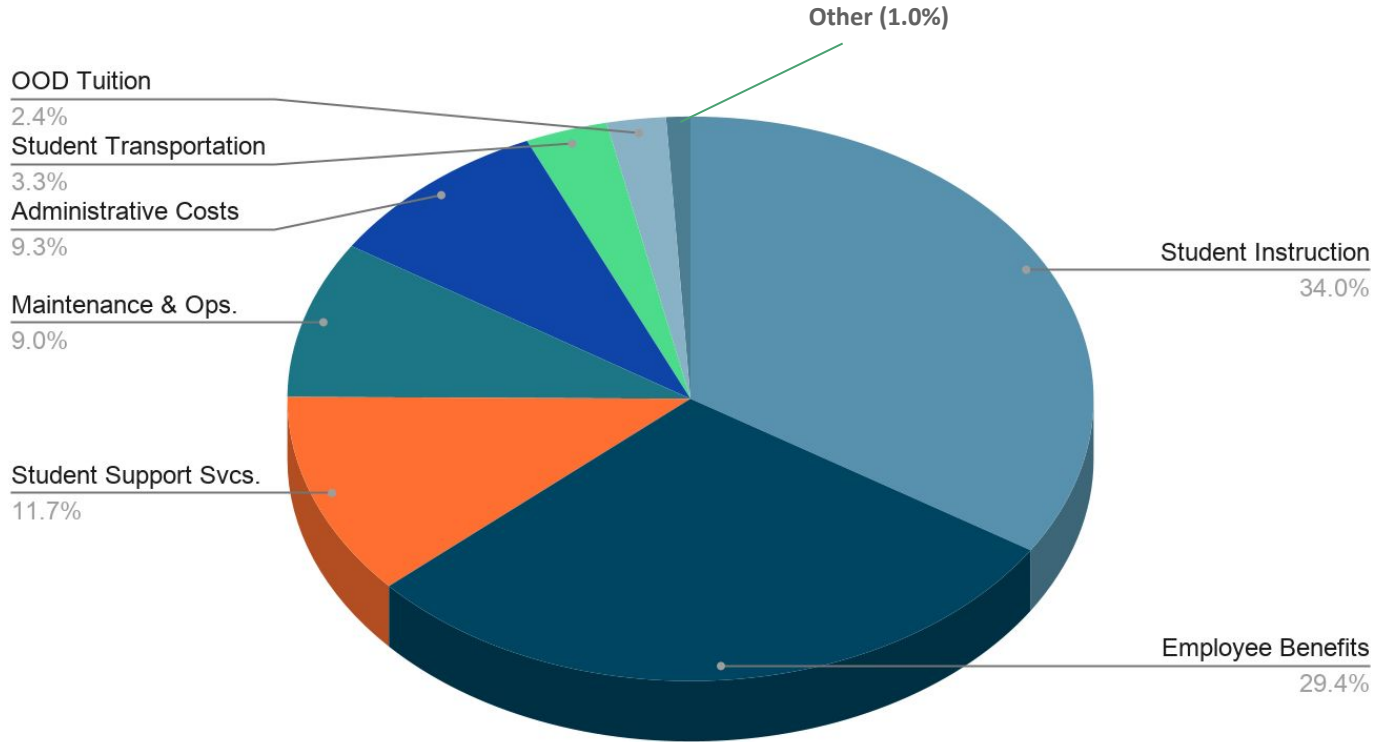
Debt Service Levy
65.4%

Local Levy	\$724,093
State Aid	\$374,743
Fund balance	\$8,608

2026-2027 TOTAL EXPENDITURE BUDGET (\$20,423,360)

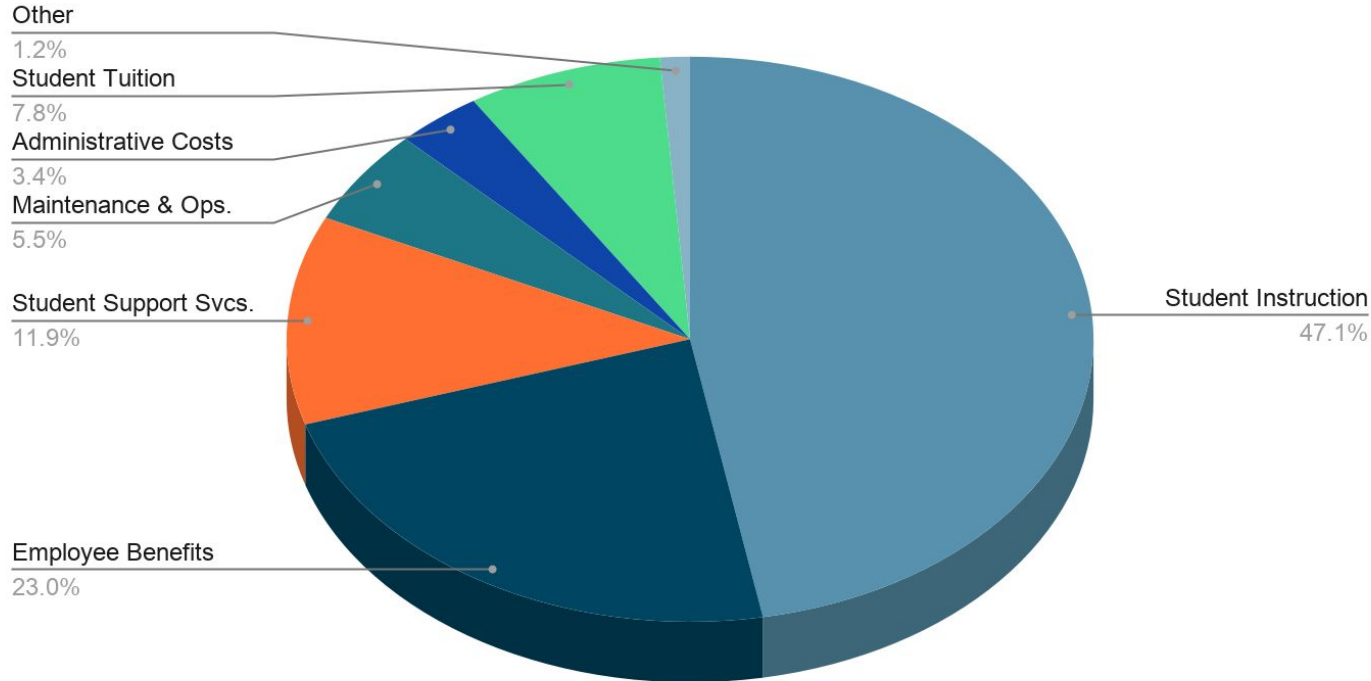


2026-2027 General Expenditure (Fund 10) \$16,776,665



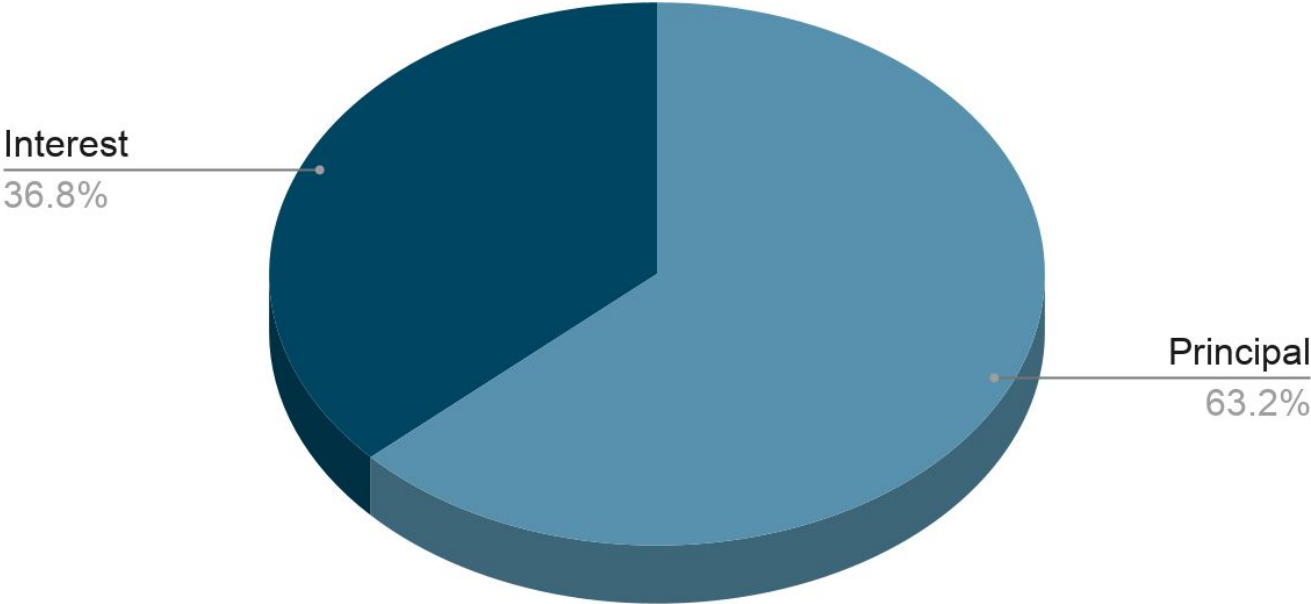
Student Instruction	\$5,706,972
Employee Benefits	\$4,937,431
Student Support Svcs.	\$1,955,806
Maintenance & Ops.	\$1,508,728
Administrative Costs	\$1,551,997
Student Transportation	\$555,150
OOD Student Tuition	\$397,941
Other	\$162,640

2026-2027 Special/Restricted Expenditure (Fund 20) \$2,539,251



Student Instruction	\$1,215,160
Employee Benefits	\$577,938
Student Support Svcs.	\$299,832
Maintenance & Ops.	\$133,407
Administrative Costs	\$86,414
Student Tuition	\$196,500
Other	\$30,000

2026-2027 Debt Service Expenditure (Fund 40) \$1,107,444



Principal	\$700,000
Interest	\$407,444

2026-2027 PreK - 8th Grade School Tax Impact

	Totals		
	2025-2026	2026-2027 Proposed	Differential
Total School Tax levy	\$ 12,825,709	\$ 13,747,415	\$ 921,706
Total Taxable Assessed Value	\$ 1,147,244,000	\$1,163,226,100	\$15,982,100
School Tax Rate per \$100 of Total Assessed Value	1.117958	1.181835	0.063877
Average Assessed Home Value	\$ 213,340.58	\$ 214,999.47	\$ 1,658.89
School Taxes for the Average House	\$ 2,385.06	\$ 2,540.94	\$ 155.88
Tax Increase for the Average House	\$ 155.88		

ANY
QUESTIONS
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