



# **2026-2027 BUDGET HEARING & ADOPTION**

Board of Education Meeting

*April 29, 2026*

# BUDGET GOALS

- Stay within the Allowable Tax Levy (ATL)
- Support district priorities and student learning
- Reduce reliance on fund balance for ongoing operations
- Optimize organizational efficiencies
- Plan strategically for long-term facilities maintenance and improvements
- Ensure transparent and effective communication with the Palisades Park School Community

# **BUDGET DRIVERS**

# Budget Drivers

## Significant Cost Pressures

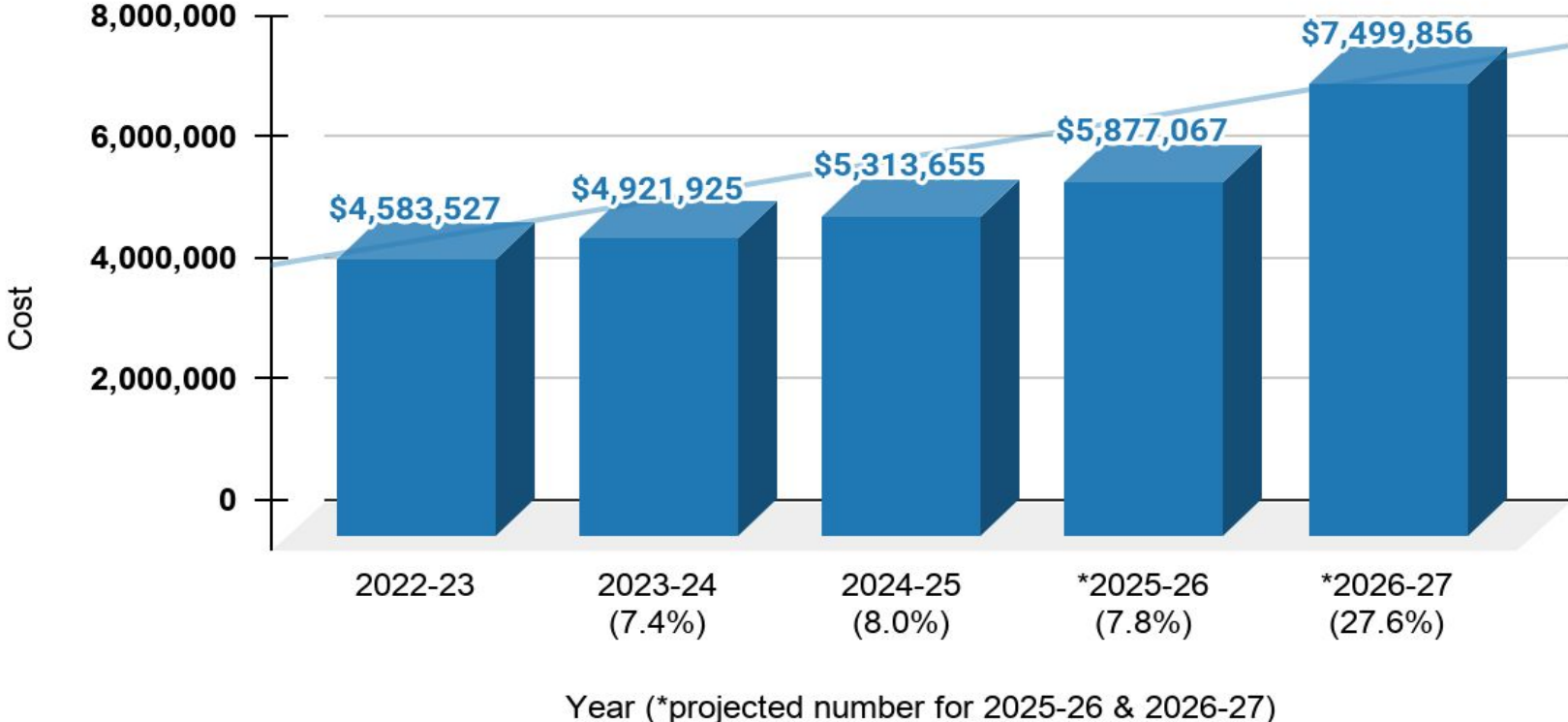
- **Health Benefits:** Approximately 31% increase in premiums
- **Special Education Programs & Services:** Continued growth in staffing, related services, and out-of-district placements
- **Inflation:** Ongoing increases in the cost of goods, services, and operational expenses
- **Salaries & Contractual Obligations:** Built-in increases through negotiated agreements and step movements

# Employee Benefit Costs

- Employee benefit costs have risen by \$1,293,540 over the past four years and are projected to increase by an additional \$1,622,789 next year due to higher New Jersey Health Benefits premiums.
- This 31% increase now represents one of the most significant contributors to our structural budget gap.

# Employee Benefits

Health, Dental, Prescription, Pension, and Social Security

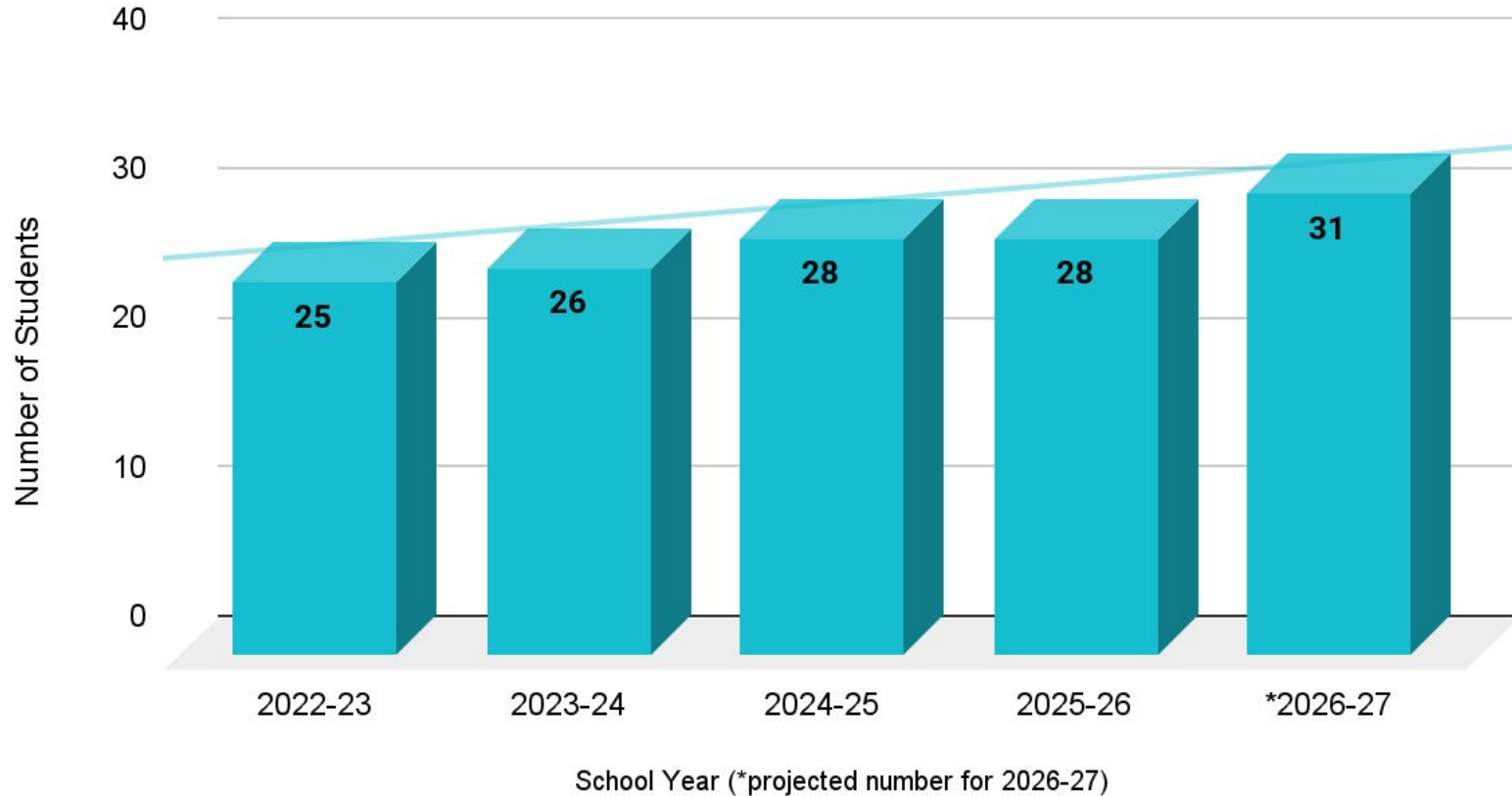


# Pension Enrollment Compliance Failure

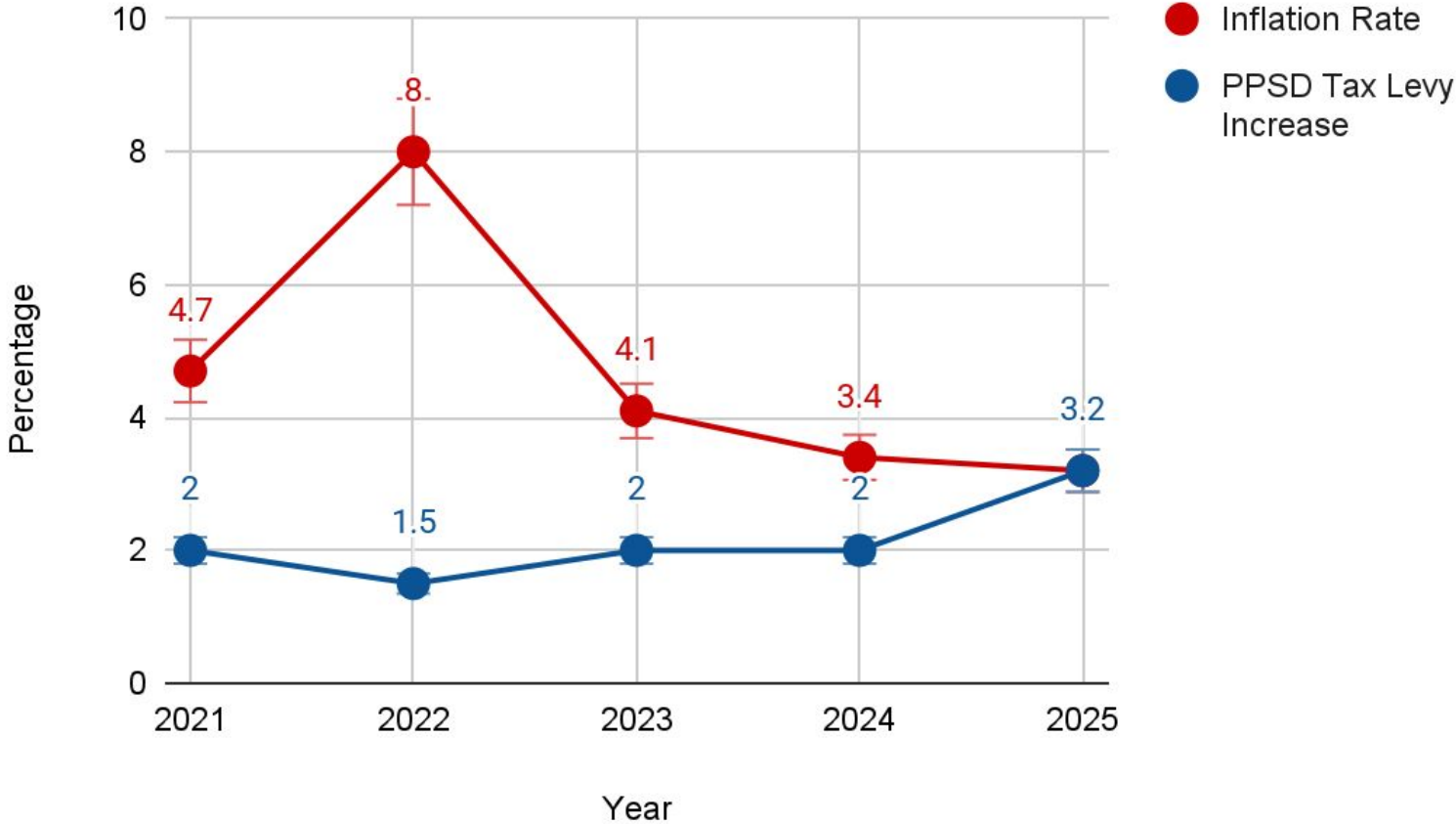
Over the past ten years, the Palisades Park School District failed to enroll over thirty (30) employees in the New Jersey State Pension System.

This prolonged oversight had led to approximately \$383,000 in unpaid contributions, interest, and penalties, creating a substantial financial liability for the District.

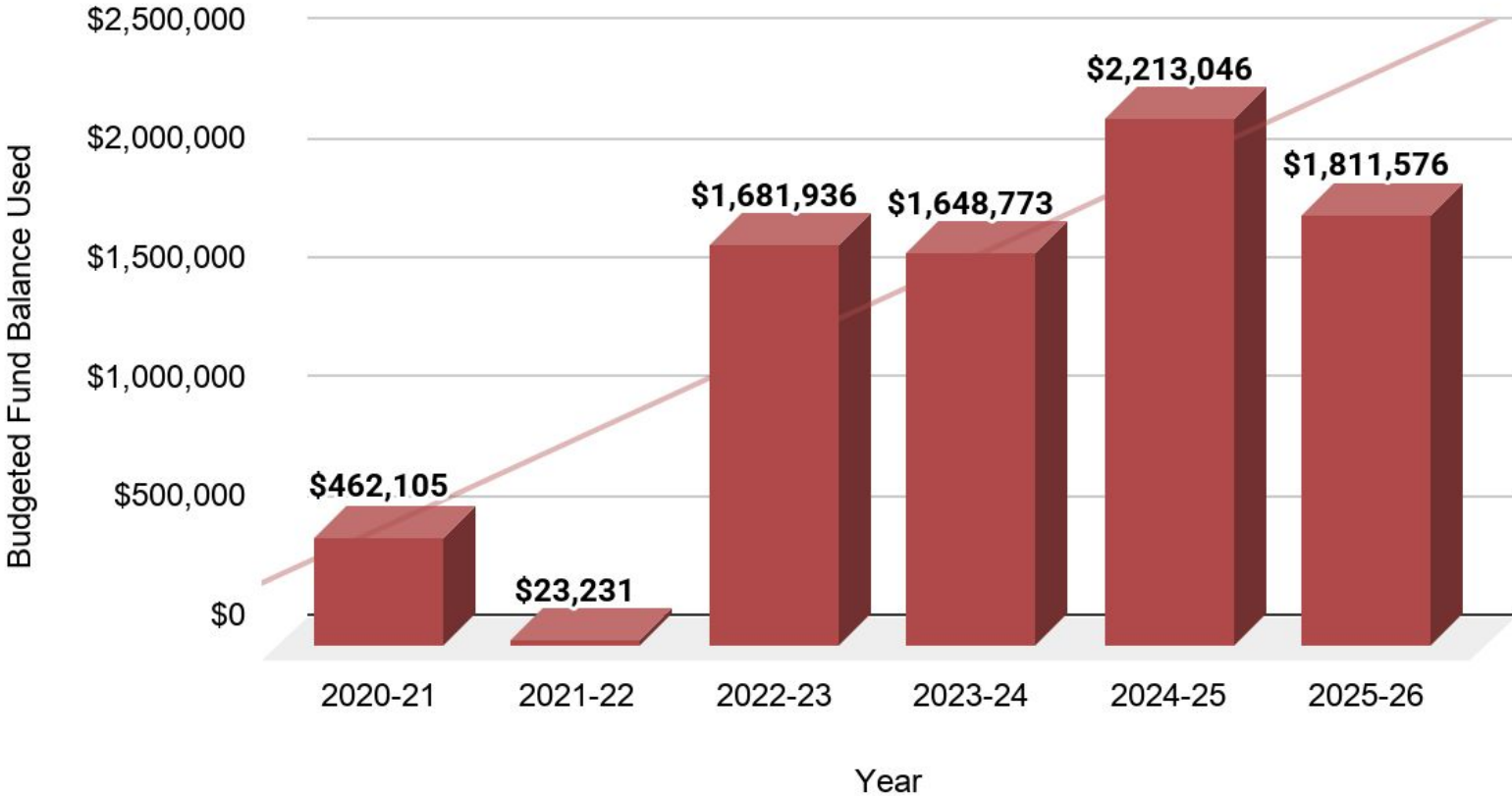
# Special Education Students - Placed Out of District



# U.S. Inflation Rate vs. PPSD Tax Levy Increase



# Use of Fund Balance for General Budget



# Use of Undesignated Fund Balance

- **Spending Growth is Consistent (Not One-Time)**
  - Indicates ongoing cost escalation (staffing, benefits, special education)
- **Direct Link to Fund Balance Depletion**
  - As expenditures rose faster than revenues:
    - The district has relied on fund balance to close the budget gap
  - This explains:
    - A declining fund balance (2023 → 2026)
    - Increasing structural budget pressure

# Use of Undesignated Fund Balance

## Using Reserve Funds to Cover Budget Shortfall

### Pros

- Quick, one-time solution

### Cons

- Masks structural budget issues
- Drains emergency reserves
- Can hurt credit rating & borrowing
- Reduces future flexibility
- Unsustainable long-term
- Creates fiscal cliff risk

# Structural Budget Challenge

## Impact of Prior Fund Balance Use

Over the past four years, the district has:

- Used a significant portion of its fund balance (one-time revenue) to support operations
- Minimized tax increases and avoided program reductions

However:

- Fund balance has declined
- Less surplus is now available to offset costs

# Structural Budget Challenge

## Current Reality

- The district is facing a structural budget gap
- One-time resources, including fund balance, are no longer sufficient to sustain operations
- Recurring costs must now be funded with recurring revenue

**RECOMMENDED  
COURSE CORRECTION**

# Immediate Actions

1. Implement strict spending controls on non-essential expenditures
2. Access alternative revenue sources (e.g., grants, partnerships, state/federal aid)
3. Decrease reliance on fund balance as a recurring fix
4. Review and optimize staffing and operational costs to reduce recurring deficits

# STUDENT ENROLLMENT

# EARLY CHILDHOOD CENTER

Grade	Actual Enrollment 2025-26	Sections	Average Class Size	Projected Enrollment 2026-27	Sections	Average Class Size
PK-3	34	3	14	45	3	13
PK-4	101	7	14	105	7	15
K	135	7	17	145	7	20
PK-3 - K	Total Enrollment = 268			Total Projected Enrollment = 270		

# NEW CHRISTIAN ACADEMY

Grade	Actual Enrollment 2025-26	Sections	Average Class Size	Projected Enrollment 2026-27	Sections	Average Class Size
PK-3	30	2	15	30	2	15
PK-4	30	2	15	30	2	15
PK-3 & 4	Total Enrollment = 60			Total Projected Enrollment = 60		

# LINDBERGH ELEMENTARY SCHOOL

Grade	Actual Enrollment 2025-26	Sections	Average Class Size	Projected Enrollment 2026-27	Sections	Average Class Size
1	134	6	22	135	6	23
2	123	6	21	134	6	22
3	139	6	23	123	5	25
4	104	5	21	139	6	23
5	112	7	16	104	4	26
6	109	6	18	112	5	22
1-6	Total Enrollment = 721			Total Projected Enrollment = 747		

# PALISADES PARK JUNIOR/SENIOR HIGH SCHOOL

Grade	Actual Enrollment 2025-26	Average Core Class Size	Projected Enrollment 2026-27	Average Core Class Size
7	134	26	109	22
8	111	22	134	26
9	108	22	111	22
10	120	15	108	22
11	123	20	120	20
12	128	21	123	25
7-12	Total Enrollment = 724		Total Projected Enrollment = 705	

# **STAFFING RESTRUCTURING**

# 2026-2027 Staffing

Category	Adopted Budget 2025-2026	Actual Budget 2025-2026	Proposed Budget 2026-2027	Change 2025-2026 vs. 2026-2027
Administrators	14	14	12	-2
Aides	4	4	4	0
Bus Driver/Aides	4	4	4	0
Clerical	9	9	9	0
Custodians/Maint. (Full-Time)	9	9	9	0
Custodians (Part-Time)	20	20	12	-8
Exempt Employees	6	6	6	0
Teachers/Cert. Support Staff	181	181	163	-18
<b>Total Employees</b>	<b>247</b>	<b>247</b>	<b>220</b>	<b>-27</b>

# 2026-2027 ESS Staffing

Category	Adopted Budget 2025-2026	Actual Budget 2025-2026	Proposed Budget 2026-2027	Change 2025-2026 vs. 2026-2027
Aides	68	68	62	-6

# 2026-2027 Staff Reductions

## Staffing Plan Summary:

- Net reduction of 33 positions
  - 2 administration
  - 18 instructional/support
  - 8 part-time cleaners
  - 6 paraprofessionals (ESS)

# **2026-2027 Budget**

# OPERATING BUDGET

REVENUES	2024-2025	2025-2026		2026-2027	%	%
	ACTUAL	ADOPTED	REVISED	PROPOSED	CHANGE	BUDGET
TAX LEVY	\$26,371,112	\$ 27,215,624	\$ 27,215,624	\$ 29,049,132	6.7%	86.0%
MISCELLANEOUS	\$ 793,027	\$ 272,439	\$ 272,439	\$ 306,000	12.3%	0.9%
RESERVE INTEREST	\$ 22,364	\$ 3,000	\$ 3,000	\$ 3,000	0.0%	0.0%
STATE AID	\$ 3,069,860	\$ 2,856,914	\$ 2,856,914	\$ 2,771,207	-3.0%	8.2%
EXTRAORDINARY AID	\$ 711,969	\$ -	\$ 836,557	\$ 600,000	-28.3%	1.8%
MEDICAID REIMBURSEMENT	\$ 65,593	\$ 17,186	\$ 17,186	\$ 54,855	219.2%	0.2%
FUND BALANCE	\$ 2,213,046	\$ 1,811,576	\$ 1,811,576	\$ 1,000,000	-44.8%	3.0%
MAINTENANCE RESERVE	\$ 350,000	\$ -	\$ -	\$ -	0.0%	0.0%
OTHER FINANCING	\$ 40,910	\$ -	\$ -	\$ -	0.0%	0.0%
REVENUES (OVER)/UNDER						
EXPENDITURES	\$ (1,602,276)	\$ -	\$ -	\$ -	0.0%	0.0%
PRIOR YEAR ENCUMBRANCES	\$ -	\$ -	\$ 489,108	\$ -	-100.0%	0.0%
<b>TOTAL REVENUES</b>	<b>\$32,035,605</b>	<b>\$ 32,176,739</b>	<b>\$ 33,502,404</b>	<b>\$ 33,784,194</b>	<b>0.8%</b>	<b>100.0%</b>

EXPENDITURES INSTRUCTION	2024-2025	2025-2026		2026-2027	%	%
	ACTUAL	ADOPTED	REVISED	PROPOSED	CHANGE	BUDGET
REGULAR PROGRAMS - INSTRUCTION	\$ 9,510,614	\$ 9,429,893	\$ 9,531,393	\$ 8,155,395	-14.4%	24.1%
SPECIAL EDUCATION - INSTRUCTION	\$ 2,078,093	\$ 2,314,543	\$ 2,219,943	\$ 2,064,200	-7.0%	6.1%
BASIC SKILLS/REMEDIATION - INSTRUCTION	\$ -	\$ -	\$ 1,000	\$ -	-100.0%	0.0%
BILINGUAL EDUCATION - INSTRUCTION	\$ 1,554,587	\$ 1,614,755	\$ 1,428,755	\$ 1,293,075	-9.5%	3.8%
SCHOOL SPONSORED ACTIVITIES	\$ 92,692	\$ 118,800	\$ 118,800	\$ 121,800	2.5%	0.4%
SCHOOL SPONSORED ATHLETICS	\$ 339,782	\$ 335,000	\$ 337,000	\$ 335,000	-0.6%	1.0%
BEFORE/AFTER SCHOOL	\$ 5,005	\$ 20,000	\$ 20,000	\$ 20,000	0.0%	0.1%
SUMMER SCHOOL	\$ 61,620	\$ 50,000	\$ 50,000	\$ 50,000	0.0%	0.1%

EXPENDITURES SUPPORT SERVICES	2024-2025	2025-2026		2026-2027	%	%
	ACTUAL	ADOPTED	REVISED	PROPOSED	CHANGE	BUDGET
TUITION	\$ 2,221,403	\$ 2,236,871	\$ 2,452,428	\$ 2,834,170	15.6%	8.4%
ATTENDANCE AND SOCIAL WORK	\$ 3,375	\$ 5,000	\$ 5,000	\$ 5,000	0.0%	0.0%
HEALTH SERVICES	\$ 185,801	\$ 227,385	\$ 128,785	\$ 179,474	39.4%	0.5%
SPEECH, OT, PT & RELATED SERVICES	\$ 2,462,634	\$ 2,510,035	\$ 3,128,035	\$ 3,448,995	10.3%	10.2%
EXTRAORDINARY SERVICES	\$ 26,552	\$ 2,110	\$ 110	\$ -	-100.0%	0.0%
GUIDANCE	\$ 406,797	\$ 414,528	\$ 403,603	\$ 406,581	0.7%	1.2%
CHILD STUDY TEAM	\$ 968,378	\$ 883,647	\$ 903,647	\$ 905,745	0.2%	2.7%
IMPROVEMENT OF INSTRUCTION	\$ -	\$ 3,650	\$ 3,650	\$ 374,546	10161.5%	1.1%
MEDIA SERVICES	\$ 106,411	\$ 92,864	\$ 56,864	\$ 65,856	15.8%	0.2%
STAFF TRAINING	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	0.0%	0.0%
GENERAL ADMINISTRATION	\$ 1,019,183	\$ 938,395	\$ 991,395	\$ 911,123	-8.1%	2.7%
SCHOOL ADMINISTRATION	\$ 1,111,339	\$ 1,241,037	\$ 1,233,807	\$ 1,196,776	-3.0%	3.5%
CENTRAL SERVICES	\$ 280,697	\$ 250,388	\$ 302,613	\$ 372,345	23.0%	1.1%
INFORMATION TECHNOLOGY	\$ 197,841	\$ 191,441	\$ 211,641	\$ 135,048	-36.2%	0.4%
OPERATION AND MAINTENANCE	\$ 2,254,350	\$ 2,335,752	\$ 2,167,752	\$ 2,180,841	0.6%	6.5%
TRANSPORTATION	\$ 1,082,780	\$ 1,197,327	\$ 1,229,827	\$ 1,112,906	-9.5%	3.3%
EMPLOYEE BENEFITS	\$ 5,313,655	\$ 5,617,067	\$ 5,877,067	\$ 7,499,856	27.6%	22.2%
MAINTENANCE RESERVE	\$ -	\$ 500	\$ 500	\$ 1,000	100.0%	0.0%
<b>TOTAL CURRENT EXPENSE</b>	<b>\$31,283,589</b>	<b>\$ 32,033,988</b>	<b>\$ 32,806,615</b>	<b>\$ 33,672,732</b>	<b>2.6%</b>	<b>99.7%</b>

EXPENDITURES	2024-2025	2025-2026		2026-2027	%	%
	ACTUAL	ADOPTED	REVISED	PROPOSED	CHANGE	BUDGET
EQUIPMENT	\$ 439,759	\$ 30,000	\$ 53,100	\$ 23,100	-56.5%	0.1%
CONSTRUCTION SERVICES	\$ 198,427	\$ 45,916	\$ 580,854	\$ 45,916	-92.1%	0.1%
CAPITAL RESERVE	\$ 46,963	\$ 2,500	\$ 2,500	\$ 2,000	-20.0%	0.0%
<b>TOTAL CAPITAL</b>	<b>\$ 685,149</b>	<b>\$ 78,416</b>	<b>\$ 636,454</b>	<b>\$ 71,016</b>	<b>-88.8%</b>	<b>0.2%</b>
<b>CHARTER SCHOOL</b>	<b>\$ 66,867</b>	<b>\$ 64,335</b>	<b>\$ 59,335</b>	<b>\$ 40,446</b>	<b>-31.8%</b>	<b>0.1%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$32,035,605</b>	<b>\$ 32,176,739</b>	<b>\$ 33,502,404</b>	<b>\$ 33,784,194</b>	<b>0.8%</b>	<b>100.0%</b>

# SPECIAL REVENUE

REVENUES	2024-2025	2025-2026		2026-2027	%	%
	ACTUAL	ADOPTED	REVISED	PROPOSED	CHANGE	BUDGET
LOCAL	\$ 443,431	\$ 12,000	\$ 12,000	\$ -	-100.0%	0.0%
STATE	\$ 437,611	\$ 396,359	\$ 543,081	\$ 465,000	-14.4%	7.9%
STATE - PRESCHOOL	\$ 2,703,996	\$ 3,121,924	\$ 3,121,924	\$ 3,272,068	4.8%	55.9%
FEDERAL	\$ 1,813,701	\$ 1,712,744	\$ 2,192,914	\$ 1,580,000	-27.9%	27.0%
TRANSFER FROM OPERATING - PRESCHOOL	\$ 517,242	\$ 486,990	\$ 486,990	\$ 504,420	3.6%	8.6%
STUDENT ACTIVITIES	\$ 29,720	\$ 35,000	\$ 35,000	\$ 35,000	0.0%	0.6%
REVENUES (OVER)/UNDER	\$ (162)	\$ -	\$ -	\$ -	0.0%	0.0%
<b>TOTAL REVENUES</b>	<b>\$ 5,945,539</b>	<b>\$ 5,765,017</b>	<b>\$ 6,391,909</b>	<b>\$ 5,856,488</b>	<b>-8.4%</b>	<b>100.0%</b>

SPECIAL REVENUE EXPENDITURES	2024-2025	2025-2026		2026-2027	%	%
	ACTUAL	ADOPTED	REVISED	PROPOSED	CHANGE	BUDGET
LOCAL	\$ 83,942	\$ 12,000	\$ 12,000	\$ -	100.0%	0.0%
STUDENT ACTIVITIES	\$ 389,047	\$ 35,000	\$ 35,000	\$ 35,000	100.0%	0.6%
STATE	\$ 437,611	\$ 396,359	\$ 543,081	\$ 465,000	-14.4%	7.9%
STATE - PRESCHOOL	\$ 3,221,238	\$ 3,608,914	\$ 3,608,914	\$ 3,776,488	4.6%	64.5%
FEDERAL	\$ 1,813,701	\$ 1,712,744	\$ 2,192,914	\$ 1,580,000	-27.9%	27.0%
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,945,539</b>	<b>\$ 5,765,017</b>	<b>\$ 6,391,909</b>	<b>\$ 5,856,488</b>	<b>-8.4%</b>	<b>100.0%</b>

# PROPERTY TAX CAP

- Palisades Park School District's 2026-2027 Allowable Tax Levy (ATL) is 6.74%, which reflects a budget-to-budget increase of \$1,833,508.
- The District has developed a \$39,640,682 spending plan based on the Maximum Allowable Tax Levy Increase.

# Annual Tax Increase

## Estimated Tax Impact by Assessed Property Value

Assessed Property Value	Estimated Tax Increase	Assessed Property Value	Estimated Tax Increase
\$100,000	\$47.00	\$600,000	\$282.00
\$200,000	\$94.00	\$700,000	\$329.00
\$300,000	\$141.00	\$800,000	\$376.00
\$400,000	\$188.00	\$900,000	\$423.00
\$500,000	\$235.00	\$1,000,000	\$470.00

**Disclaimer:** The tax impact figures below are estimates prepared by the School District for informational purposes only. Actual tax rates and individual tax bills are determined by the Borough of Palisades Park Tax Assessor and may vary based on final assessments, equalization ratios, and other factors beyond the District's control.



**QUESTIONS?**