



2026-2027 Tentative Budget Presentation



Hunterdon Central Regional High School District



Mission Statement

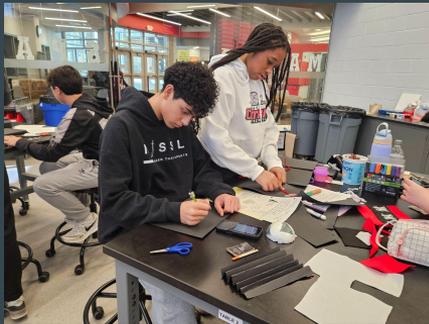
Hunterdon Central is an innovative educational community dedicated to the intellectual, social, and emotional safety and growth of all students. While fostering curiosity and promoting wellness, we aspire to create powerful learning experiences, establish strong partnerships, and serve as contributing members of society.





Our Priority - STUDENTS!

- #1 priority of all schools is to educate students and teach the NJ Student Learning Standards.
 - Central's 2026-2027 budget maintains all academic programs, and even adds two new academies in the Magnet Program: Performing Arts Academy and Early Education Academy.
- We must also help students succeed by providing them with the services and resources they need.
 - Our budget also funds academic assistance such as multi-tiered system of supports, counseling and mental health support, and special education services.
- Hunterdon Central students also succeed outside of the classroom and we are happy to maintain all sports and club offerings in the 2026-2027 budget.





Budget Highlights

NJ school districts face sustained structural fiscal pressure as expenditures outpace revenue growth. This budget continues past practice of budgeting strategies that prioritize disciplined financial planning, clear prioritization, and responsible long-term decision-making to maintain program quality and fiscal stability.

Central's 2026-2027 budget:

- Sustains, and even enhances, all academic and extracurricular programs, and sustains the highly qualified staff needed to teach and manage programs.
- Is not reliant on one time or temporary revenue sources
- Minimizes local tax levy increases, while addressing large increases for healthcare, inflation and utilities.
Recommending 3% increase, but eligible for 5.73% with healthcare adjustment state allowance.





HCRHSD Budgeting Strategies

To remain consistent in budgeting and limiting impact on local tax levy through utilization of surplus and reserve accounts, while avoiding fiscal cliff.

- Generating consistent levels of surplus every year
- Utilizing Unrestricted and Restricted Surplus
- Utilizing legal reserve accounts (state term, not for legal fees) - Capital Reserve and Maintenance Reserve
- Debt service from referendum expired in 2021-22 - no new loan taken = no debt service to be paid by taxpayers
- Do not use temporary funds for permanent expenditures.
- If staff reductions are needed, use attrition as much as possible.

Let me explain more about these terms and our history.....



HCRHSD Budgeting Strategies

Let's define Surplus and how we are allowed to use it:

- Surplus is unspent funds on June 30th of any fiscal year
- Unrestricted surplus is portion of fund balance not allocated for certain purposes, can keep up to 2%.
- Restricted surplus is any unspent funds above 2%. Per state law, these funds must be appropriated in one of two ways, or both; these funds cannot remain in surplus.
 - Tax relief (reducing local taxes) and/or
 - Placed into reserve accounts for future capital projects or maintenance in the next year's budget.



Tax Relief From Surplus

The following chart details state aid allocations and the annual surplus used for tax relief (defined in the audit as excess surplus, defined as budgeted fund balance in user friendly budget), and how it has affected our total operating budget.

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
State Aid	5,982,704	5,517,017	5,292,935	4,972,741	4,715,742	4,617,137	3,974,385	4,941,482	4,934,236
Budgeted Fund Balance	3,923,848	4,098,445	3,876,034	3,820,000	4,008,726	4,374,385	3,974,385	4,051,342	3,923,342
Total Operating Budget	62,937,996	64,241,869	65,713,504	66,252,263	67,167,520	68,949,057	69,874,915	71,596,958	73,339,674

Consistent budgeting has led to consistent tax relief. If surplus decreases over time, local tax levy will need to be increased.

State Aid Reductions



State Aid in 2017-2018 was
\$5,719,700

State Aid in 2026-2027 is
\$4,934,236

Since 2017-2018, the
district has seen a
\$785,464 or 13.73%
reduction in state aid.

Fiscal Year	Aid Received
2018-2019	-\$38,710
2019-2020	-\$163,973
2020-2021	-\$224,082
2021-2022	-\$320,193
2022-2023	-\$257,000
2023-2024	-\$98,605
2024-2025	-\$31,227
2025-2026	\$206,520
2026-2027	-\$7,246



Legal Reserves

School districts can have legal reserve accounts - equivalent of a household savings account.

- **Types of Reserve Accounts:**
 - Capital Reserve - for facility capital projects - this account must be tied to projects listed in district's long range facilities plan (LRFP), which is approved by the state.
 - Maintenance Reserve - to help maintain existing facilities - tied to M-1 schedule, amount per square foot per the state
 - Emergency Reserve
- **Benefit of Reserve accounts**
 - No referendum requiring debt service tax levy
 - Received 15 ROD grants were Reserve accounts also allow district to obtain grants from the state covering up to 40% of costs for qualifying capital projects - the reserve account must show we have the other 60%.
 - Accounts generate interest for additional revenue

Capital Projects

Items from approved Long Range Facilities Plan scheduled for summer 2026, with funds to be taken from capital reserve account.

**Projects funded at 40% or \$3,574,597 of eligible cost by Regular Operating District (ROD) Grant.*

Project	Project Cost
IMC HVAC (ROD)*	\$1,385,063.00
Music HVAC (ROD)*	\$1,435,125.00
Old Gym HVAC (ROD)*	\$1,551,938.00
100's Wing HVAC (ROD)*	\$3,270,750.00
Faculty Dining Room HVAC (ROD)*	\$100,125.00
Old Gym Roof (ROD)*	\$492,615.00
IMC Roof (ROD)*	\$240,300.00
Weight Room HVAC (ROD)*	\$460,575.00
Woodshop & Engineering	\$1,719,000.00
Rear Athletic Field Road	\$666,750.00
Tennis Lot Lighting	\$31,250.00
Junction Road Sidewalk	\$252,000.00
Total	\$11,605,491.00



Local Tax Levy



Hunterdon Central has approved exceeding the local tax levy cap of 2.00% only two times in the past 9 years.

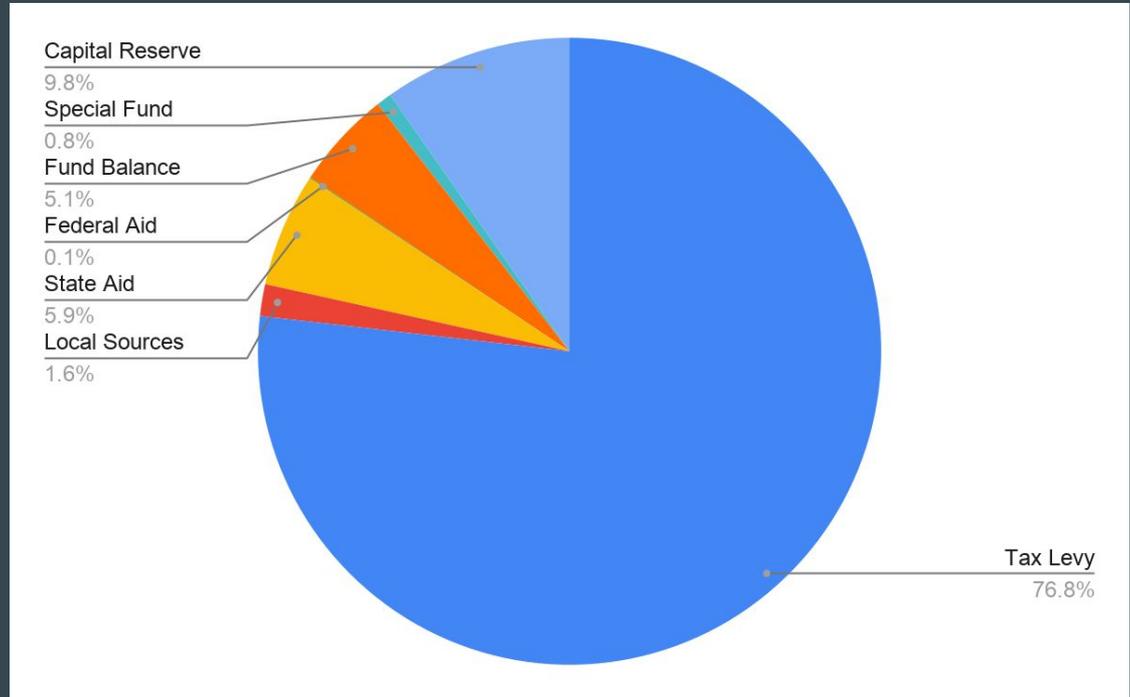
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Debt Service Levy	2,199,707	2,167,006	2,158,553	2,152,199	0	0	0	0	0
Tax Levy	52,598,796	53,973,852	55,668,443	55,668,443	57,917,438	58,959,952	59,991,751	61,191,586	63,027,334
Total Tax Levy	54,798,503	56,140,858	57,826,996	58,934,001	57,917,438	58,959,952	59,991,751	61,191,586	63,027,334
Change (\$)	1,016,454	1,342,355	1,686,138	1,107,005	-1,107,005	1,042,514	1,031,799	1,199,835	1,835,748
Change (%)	1.89%	2.45%	3.00%	1.91%	-1.72%	1.80%	1.75%	2.00%	3.00%

To mitigate rising costs that are exceeding revenue, 2026-2027 budget includes a 3.00% tax levy increase using healthcare adjustment in order to maintain all programs and staffing needed to run those programs.



2026-2027 Revenue Sources

Tax Levy	\$63,027,334
Local Sources	\$1,423,131
State Aid	\$4,934,236
Federal Aid	\$31,631
Fund Balance	\$3,923,342
Grants	\$497,133
Capital Reserve	11,605,491
Total	\$85,442,298





2026-2027 Budget Challenges

Similar to your own household expenses, school districts are also facing:

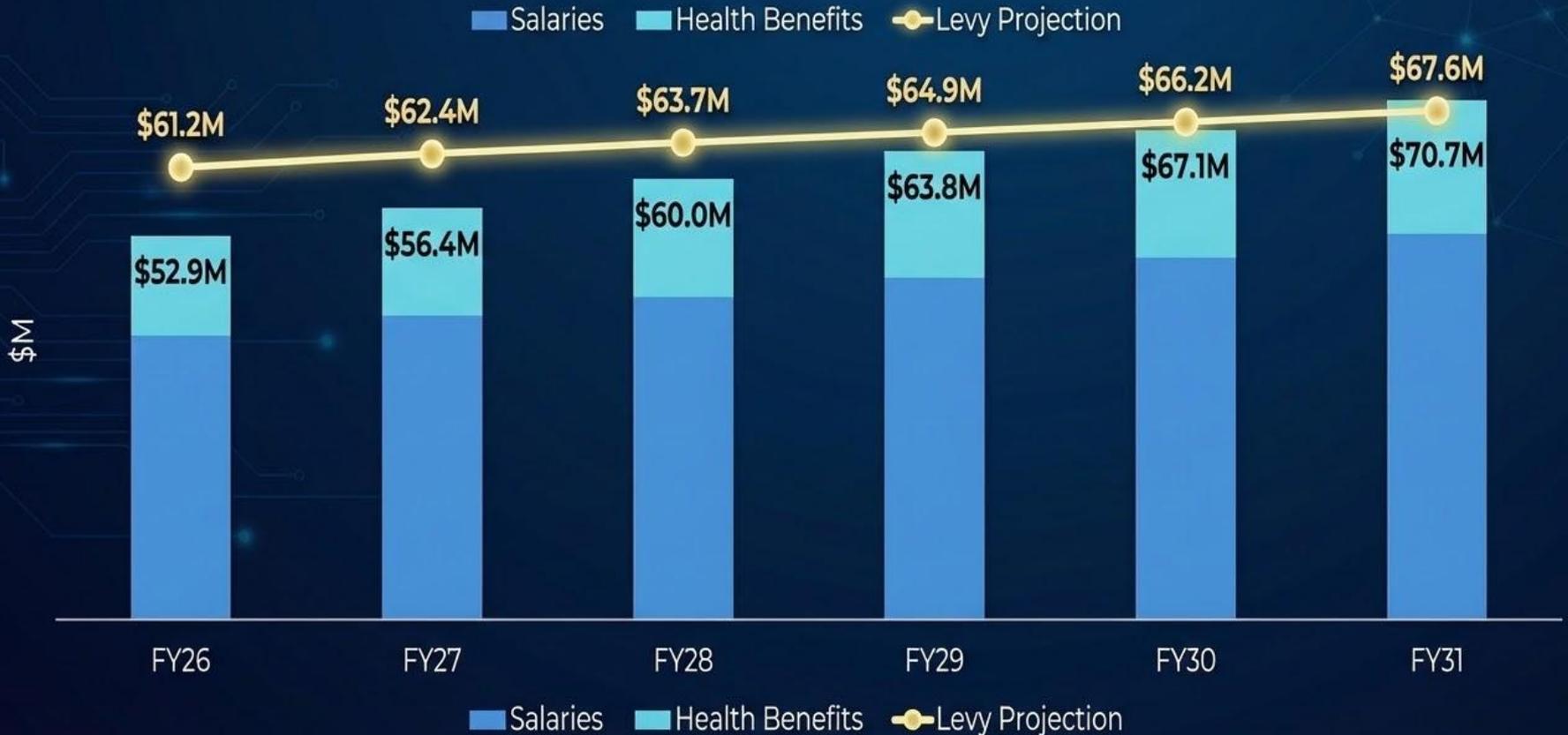
- i. Inflation and rising costs for supplies
- ii. Gas and utility price increases
- iii. Maintenance and upgrades of aging facilities
- iv. Drop in interest rates means less revenue for reserve (savings) accounts
- v. Healthcare cost increases (18.6%)

Challenges specifically for school districts include:

- i. Loss of state aid in 8 of the last 9 years
- ii. Cap on increases to local tax levy & potential fiscal cliff
- iii. Declining enrollment
- iv. Out of district placements: special education students and those choosing to go to Hunterdon County Vocational School District. This includes tuition and transportation costs to district.
- v. Contractual obligations



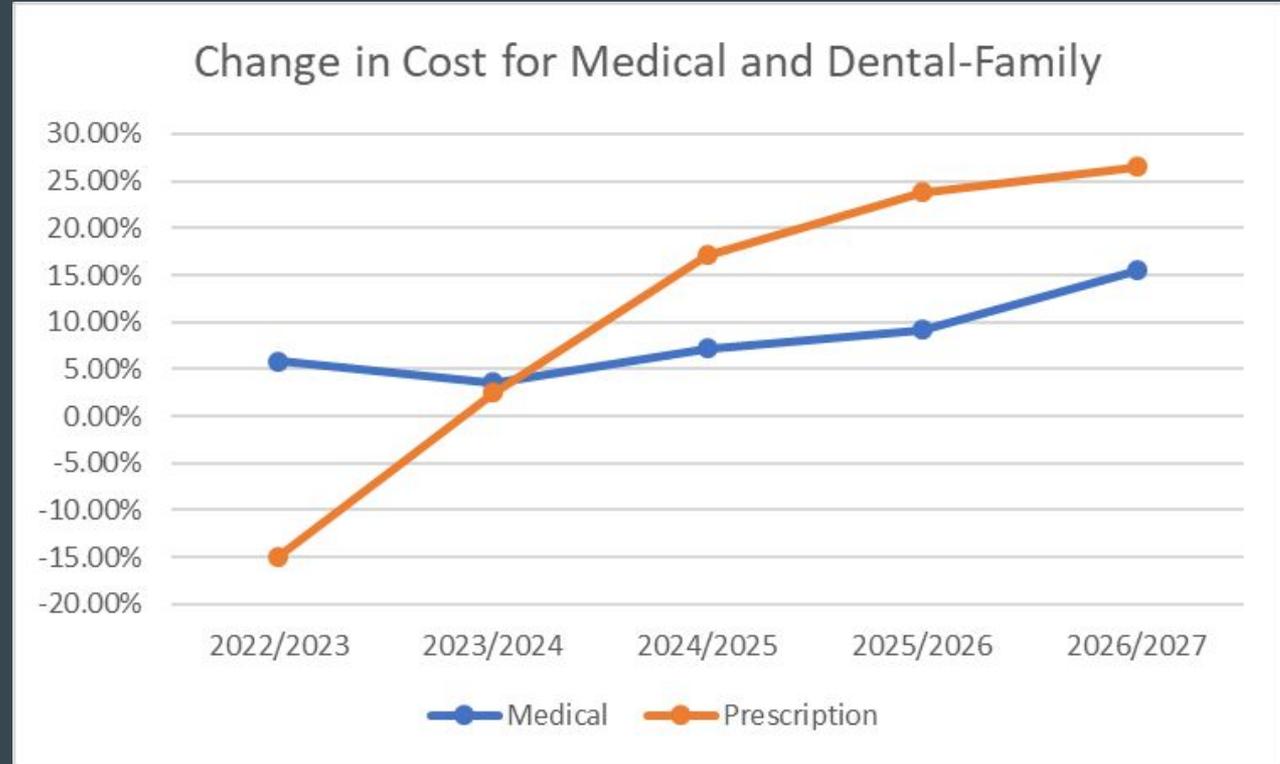
Projected Personnel Costs vs. Levy Growth (FY26-FY31)





Budget Challenge - Chapter 44 & Healthcare Costs

Coverage costs have increased 41.25% for health benefits and 54.98% for prescription benefits over the last five (5) years.





Declining Enrollment

Year	# of FTE Students*	Change	% Change	Instructional and Support Staff
2019-2020	2675.5	-120.5	-4.31%	377.1
2020-2021	2608	-67.5	-2.59%	379.9
2021-2022	2554	-54	-2.07%	379.9
2022-2023	2432.5	-121.5	-4.76%	381.2
2023-2024	2338.5	-94	-3.86%	373.2
2024-2025	2168	-170.5	-7.29%	367.8
2025-2026	2144	-24	-1.1%	367.2
2026-2027	2176	+32	+1.49%	354.4

*Average Daily enrollment counts shared time students as 0.5 FTE.



Recommendations for 2026-2027 Budget

Due to budget challenges and declining enrollment, the following changes are reflected in the tentative budget:

- Recommending elimination of 20 positions, which are made through attrition (retirements or resignations, which can equate to breakage), non-renewals, cuts and restructuring.
 - 2 administrator positions
 - 8 certificated staff positions
 - Restructuring support staff
 - Restructuring security staff
- Reduction of one Class III Officer. We still maintain one School Resource Officer and two Class III Officers from Raritan Township Police Department.
- 3% increase to the tax levy utilizing healthcare adjustment permissible by state

NO academic or extracurricular programs have been changed or reduced.



Tax Rate Calculation

Equalization &
Enrollment

% Share of Levy
for each
Municipality

Tax Levy divided
by the
Municipality
Ratable=Tax Rate



Equalization and Enrollment

Municipality	Equal Value of Municipality	Elementary Enrollment	Regional Enrollment	Elementary %	Elementary Equalized Valuation	Regional Equalized Valuation	2026-2027 % Share
Delaware Twp	\$1,250,102,053	335	132.5	71.66%	895,823,131	354,278,922	8.6770728
East Amwell	\$1,030,021,663	322	102.0	75.94%	782,198,451	247,823,212	6.0697375
Flemington	\$619,906,863	702	293.0	70.55%	437,344,292	182,562,571	4.4713604
Raritan Twp	\$6,441,962,379	2,370	972.5	70.91%	4,567,995,523	1,873,966,856	45.8975850
Readington Twp	\$4,826,498,549	1,407	589.0	70.49%	3,402,198,827	1,424,299,722	34.8842443
Hunterdon Central Reg.	\$14,168,491,507	5,136	2,089.0		10,085,560,224	4,082,931,283	100.000000



Tax Rate Estimate for 2026-2027

Municipality	2026 Actual Tax Rate per \$100,000 of Assessed Value	2027 Estimated Tax Rate per \$100,000 of Assessed Value	Annual Tax Rate Change	Change Per Month for a Home Valued at \$400,000 for 2027	Change (5 years) per \$100,000 of Assessed Value	Change (5 years) per Month for a Home Valued at \$400,000
Delaware	\$628.38	\$669.91	\$41.53	\$13.84	\$60.51	\$20.17
East Amwell	\$501.65	\$565.14	\$63.49	\$21.16	-\$118.47	-\$39.49
Flemington	\$415.72	\$405.48	-\$10.24	-\$3.41	-\$94.96	-\$31.65
Raritan	\$657.25	\$654.96	-\$2.29	-\$0.76	\$10.35	\$3.45
Readington	\$637.31	\$655.36	\$18.05	\$6.02	\$63.79	\$21.26



In Closing

- Though one of the most challenging budgeting years, we are able to continue to provide powerful student learning experiences by maintaining all programs and services next year.
- Keeps us away from the fiscal cliff (for now) while keeping increase to local tax levy low.
- Addresses aging facilities
- Maintains what makes Central great!

**Public hearing for final 2026-2027 budget -
Monday, April 27th at 7:00PM in IMC**

