

2025-2026 Budget Update

March 11, 2025



Cherry Hill
PUBLIC SCHOOLS

Adequacy Budget Calculation

- Weighted enrollment times “total base cost”
 - Elementary school student – 1.0
 - Middle school student – 1.04
 - High School Student – 1.16
- Total base cost was increased by 7.36%
- Enrollment is also “weighted” for:
 - At Risk Students*
 - Limited English Proficient Students*
 - Special Education Students*
 - Speech Services Only Students*
- Geographical Cost Factor Adjustment – accounts for the “cost of living in the county in which the District is located.”

Local Share and Equalization Aid

Local Cost Share is the difference between the Adequacy Budget and Equalization Aid

- Local Cost Share is determined by:
 - 3 Year Average of Property Values times a property rate multiplier/2
 - 3 Year Average of District Income times an income rate multiplier/2
 - Property Values are as of October 2023, 2022 and 2021
 - District Income is as of 2021, 2020 and 2019

In 2024-25, 398 (68%) of Districts received Equalization Aid

In 2025-26, 275 (48%) of Districts will receive Equalization Aid

Adequacy Budget and Local Fair Share

	Resident Enrollment	Weighted At Risk Students	Adequacy Budget	Local Share	Equalization Aid	Total General Fund State Aid
2019-2020	10,796	950	160,819,720	148,703,374	7,821,405	18,424,898
2020-2021	10,875	815	167,125,212	147,934,009	11,295,270	21,898,763
2021-2022	10,530	863	165,192,187	145,879,487	14,095,097	24,698,590
2022-2023	10,616	846	170,172,140	151,875,316	18,296,824	29,589,448
2023-2024	10,714	885	182,256,987	160,149,565	22,107,422	36,377,427
2024-2025	10,669	977	194,430,249	182,335,839	15,207,240	29,477,245
2025-2026	10,616	1,140	209,911,221	210,375,403	-	28,592,928

State Aid

General Fund	State Aid	State Aid	State Aid	State Aid	State Aid	
<u>State Aid Category</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>+/-</u>
Equalization Aid@	14,095,097	18,296,824	22,107,422	15,207,240		(15,207,240)
Transportation Aid	2,884,053	2,884,053	2,884,053	2,884,053	5,926,519	3,042,466
Special Education Aid	6,480,802	7,169,933	10,147,314	10,147,314	19,431,379	9,284,065
Security Aid	1,238,638	1,238,638	1,238,638	1,238,638	3,235,030	1,996,392
Total State Aid	24,698,590	29,589,448	36,377,427	29,477,245	28,592,928	(884,317)
Stabilized School Aid				3,105,082		(3,105,082)
Debt Service Aid			6,978,535	8,577,777	9,018,965	441,188
Preschool Education Aid*			3,417,615	6,156,984	7,489,660	1,332,676
<i>@ In 2024-25, 398 (68%) of Districts received Equalization Aid. In 2025-26, 275 (48%) of Districts will receive Equalization Aid</i>						
<i>*Reduction in 2025-26 Preschool Aid due to 2023-24 carryover - \$588,174. This equals 25% of the carryover</i>						

STATE OF NEW JERSEY - DEPARTMENT OF EDUCATION
DIVISION OF FINANCE AND BUSINESS SERVICES
OFFICE OF SCHOOL FINANCE
PROJECTED 2025-26 STATE SCHOOL AID
AID CHANGE LIMITS

02/27/2025

7

COUNTY: 07-CAMDEN
DISTRICT: 0800-CHERRY HILL TWP
BUDGET: K-12

Page LIM

STATE AID GROWTH LIMIT CALCULATION:

Uncapped Aid [EQA (W) + CAT (B) + CAT (E) + TRN (C)]	\$18,083,377 (A)
Prebudget Year Aid [BUD (A-1) thru (A-4) + BUD (A-7)]	\$29,477,245 (B)
SFRA Aid Change [Item (A) minus (B)]	\$-11,393,868 (C)

AID INCREASES: If Item (C) > 0

Maximum Aid Increase [Item (B) times 6%]	N/A (D-1)
Adjustment Needed to Reach Max Gain MIN[0, Item (D-1) minus (C)]	N/A (D-2)
Aid limit index Sum[1, Item (D-2) divided by Item (A)]	N/A (D)

AID REDUCTIONS: If Item (C) < 0

Maximum Aid Reduction [Item (B) times -3%]	\$-884,317 (E-1)
Adjustment Needed to Reach Max Loss MAX[0, Item (E-1) minus (C)]	\$10,509,551 (E-2)
Aid limit index Sum[1, Item (E-2) divided by Item (A)]	158.1172% (E)

AID LIMIT ADJUSTMENT INDEX

[If Item (C) > 0, Item (D); If Item (C) < 0, Item (E)]	158.1172% (F)
--	---------------

DRAFT Budget Status

<u>Budget Category</u>	<u>Revised Budget 2024-25</u>	<u>Proposed Budget 2025-26</u>	<u>Difference</u>	<u>%</u>
Salaries	130,743,732	129,305,274	(1,438,458)	-1.1%
Benefits	51,213,056	54,488,251	3,275,195	6.4%
Other	65,940,170	63,606,746	(2,333,424)	-3.5%
Contribution to Preschool	1,519,251	1,798,350	279,099	18.4%
Capital Reserve - Pymt of Debt	4,000,000	4,000,000	-	0.0%
Capital Reserve Projects	3,015,022	2,923,500	(91,522)	-3.0%
TOTAL GENERAL FUND BUDGET	256,431,231	256,122,121	(309,110)	-0.1%
TOTAL TAXES	196,200,891	201,491,240	5,290,349	2.8%
TOTAL MISC REVENUES	3,000,999	3,000,999	-	0.0%
TOTAL STATE AID	35,582,327	31,592,928	(3,989,399)	-9.9%
Federal Aid	331,310	64,403	(266,907)	-80.6%
Fund Balance	12,527,134	13,049,051	521,917	4.2%
Capital Reserve	7,014,022	6,923,500	(90,522)	-1.3%
Reserve for Encumbrances	1,774,548		(1,774,548)	-100.0%
TOTAL REVENUES	256,431,231	256,122,121	(309,110)	-0.1%

DRAFT Budget Status – Tax Impact

2% Tax Increase - \$3,924,018 – 112.23

Use of Expiring Banked Cap - \$1,366,331 – 39.08

Debt Service Increase - \$988,812 – 28.28

Total Impact on the average assessed home of 227,000 - \$179.59

Closing the Gap – Minimizing Program Impact

- Budget trimming of operational areas, supplies, equipment and services.
- Eliminate permanent substitutes through contracted services
- Reduce educational services provided by outside contracts
- Elimination of 19 Support positions
- Reconfiguration of Middle School model
- Administrative reduction
- Reductions at the High School based on sectioning
- Addition of a Math Coach (Elementary) – 1 position
- Addition of Interventionists (Elementary and Middle) – 5 positions

Closing the Gap – Minimizing the Tax Impact

- Without the use of banked cap or another funding source, there would be additional cuts and staffing reductions. This may impact:
 - Class sizes at the elementary levels.
 - Program offerings at the secondary level.
 - Many of the positions hired in the past few budget years.
 - Operational staff
 - Transportation

Capital Reserve Considerations for 2025-26

Turf Field Replacement and Track Resurfacing at West

Fencing – District wide

Contribution to Debt Service

Planning for the Future

- The 3% Hold Harmless from the State limited the amount of aid loss this year. There are no guarantees this will be utilized in future budgets.
- Non personnel cuts – 70-75% of the Budget is Personnel Costs – cuts to non personnel areas can only sustain so much. If reductions in State Aid continue, positions, many added in the past few budget years, will need to be re-evaluated.
- Adjusting Other Revenue Sources
 - Fund Balance – Sets the bar higher for future budgets and may affect debt repayment and capital reserve contributions in the future.
 - Extraordinary Aid –assuming a higher extraordinary aid number is risky
- 3,392,139 of banked cap is available for the 2026-27 budget year; there is none after that.
- The 2% Tax Levy Cap, cannot cover the annual increase in costs for the District – and make up for losses in State Aid

Next Steps

Two Step Process:

1.) Initial Submission Budget

- Submitted to the County Office for review and approval – deadline is March 19.
- Board Meeting – March 18 to approve budget and submit

2.) Public Hearing Budget

- County Approved Budget is advertised in the newspaper
- Budget is finalized and adjusted if necessary.
- Public Hearing is held on Budget (April 30).
- Final Board adoption.



Questions & Responses