



**North Hunterdon-Voorhees**  
REGIONAL HIGH SCHOOL DISTRICT

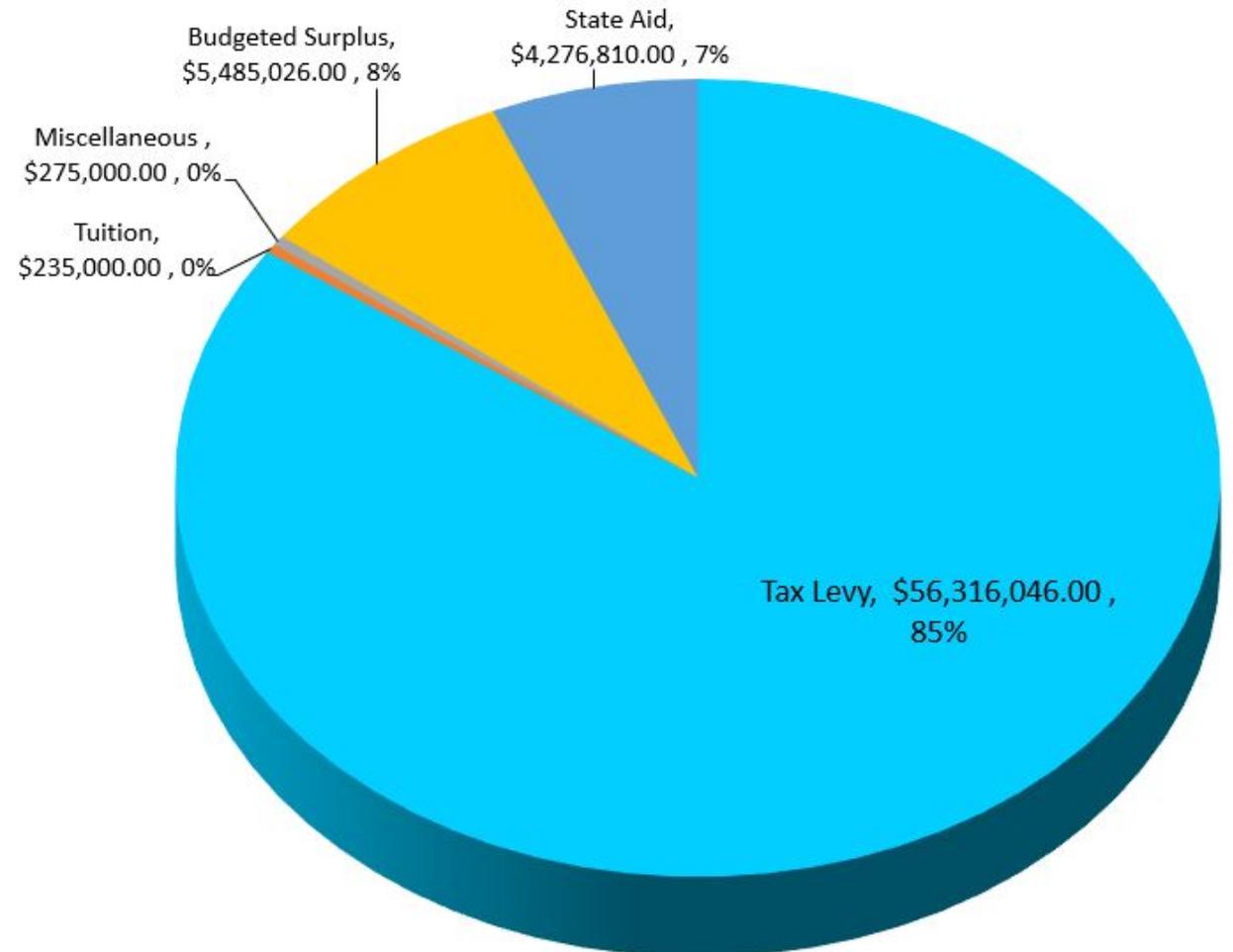
# **Revenue Sources and Budget Goal Setting**

**2026-2027 Budget Preparation**

**February 17, 2026**

# REVENUE SOURCES

- Revenue Sources:
  - Tax Levy 85%
  - State Aid 7%
  - Tuition 0.4%
  - Other Miscellaneous Revenue 0.4%
  - Budgeted Fund Balance 8%



\*based on the 2025/26 budget

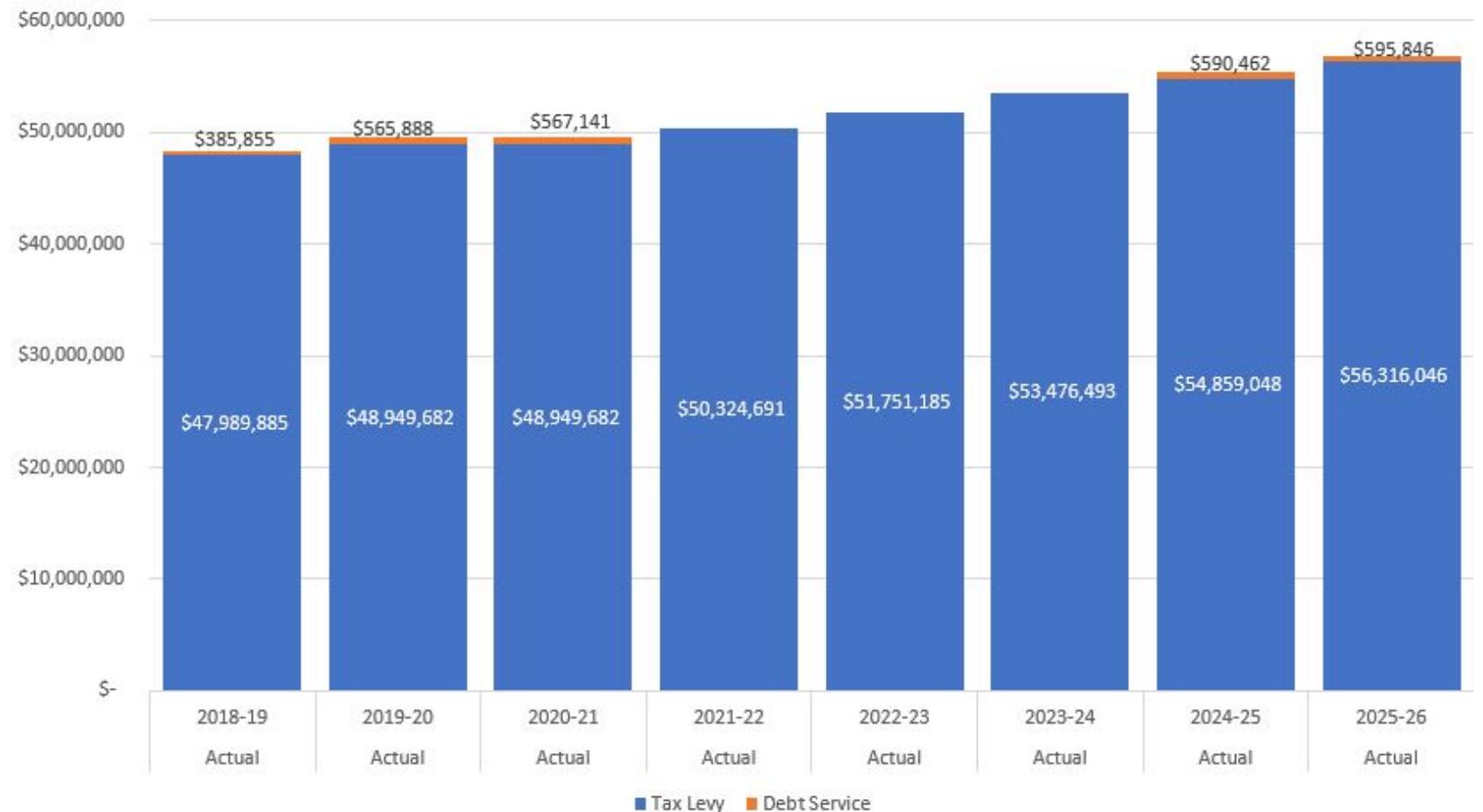
# TOTAL TAX LEVY

- New Jersey P.L. 2010, c.44, enacted in July 2010, established a permanent 2% cap on annual property tax levy increases for school districts, municipalities, counties and fire districts. It replaced a previous 4% cap.
  - Limited exclusions are available to exceed the 2% cap including:
    - Increases in Health Benefit Costs, capped at the average percentage increase of the State Health Benefits Program (SHBP)
    - PERS pension contribution increase adjustment (if over 2%)
    - Significant Enrollment increases
    - Unused taxing capacity in the preceding 3 budget years, also known as “banked cap”
    - Separate proposals approved by voters for specific funding needs
- Debt Service Tax Revenue
  - Approved at the time of a referendum for Capital Projects or non-operational budget items
  - This is assessed for as long as the long-term debt is repaid by the District
  - Does not contribute to the General Fund Budget

# HISTORICAL TAX LEVY

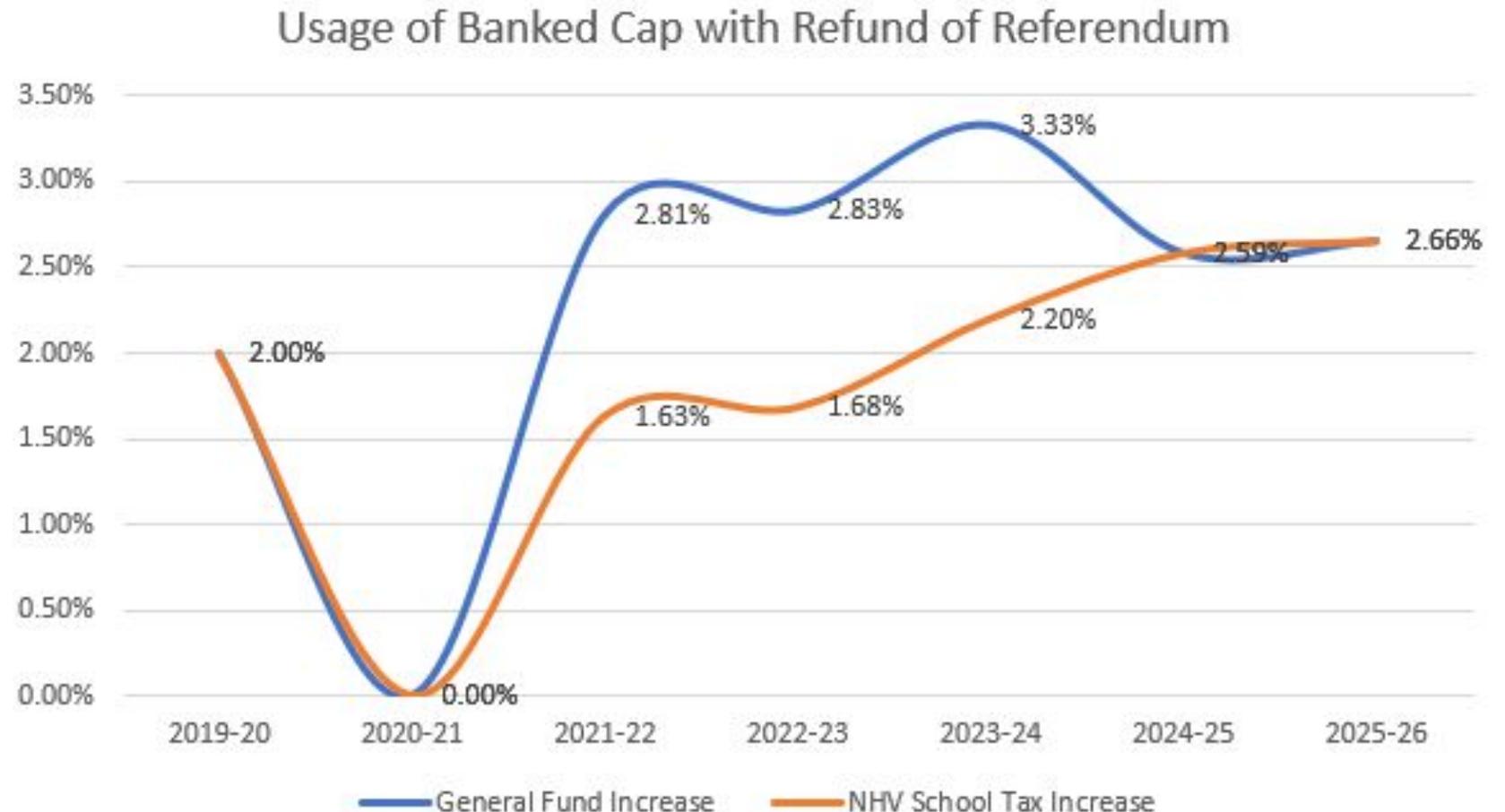
- Debt Service Assessment
  - Approved by voters in 2016 for a \$9.7 million referendum
  - Taxpayer share - \$6.8 million
  - State Aid - \$2.9 million
  - Expires in 2032
- Referendum projects were completed **under-budget**
- The **refund to taxpayers** was the elimination of debt service assessment during the following budget years:
  - 2021/22
  - 2022/23
  - 2023/24

Tax Levy and Debt Service Assessment



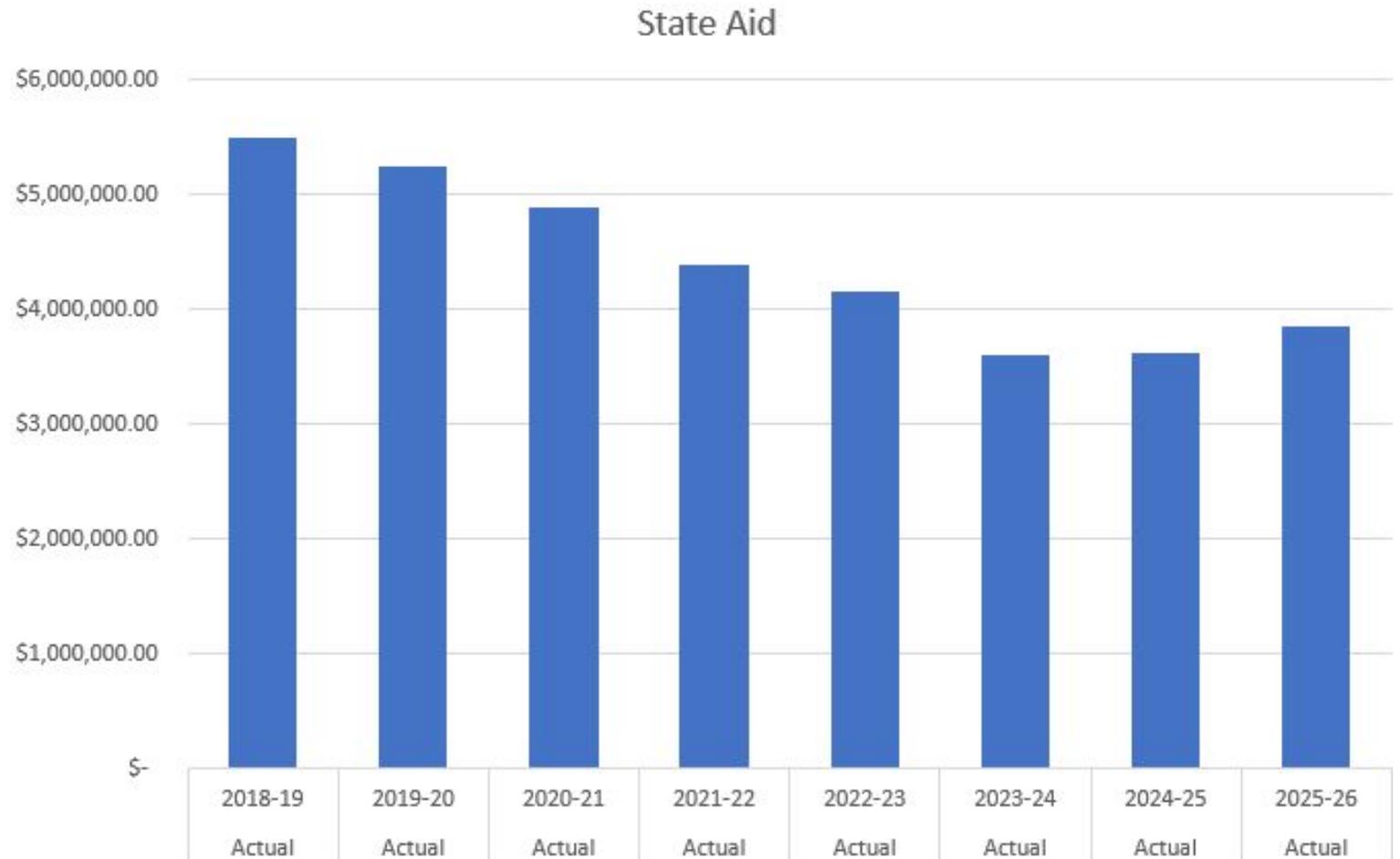
# HISTORICAL TAX LEVY - % INCREASES

- NHV utilized banked cap from 2020/21 during the same budget years referendum funds were returned, lessening the tax impact of the general fund increases
- What is “banked cap”?
  - When a District has unused taxing authority in a budget year, those funds are available for use in the subsequent 3 budget years



# STATE AID FUNDING - N.J. S 2

- The 2018 New Jersey S-2 Bill was designed to eliminate adjustment aid for a portion of Districts starting in the 2018/19 school year
  - Districts receiving adjustment aid would be reduced over a period of seven budget years
  - NHV started 2018-19 with \$5.5 million per year in State Aid and now receives \$3.8 million per year
  - **This is a \$1.7 million per year reduction in State Aid Funding**



## BUDGETED FUND BALANCE

- School Districts are permitted to maintain an unassigned fund balance (surplus), up to 2% of the total budget
- Additional funds exceeding the 2% threshold can be used in the following budget year as revenue
  - The funds generated from the 2024/25 budget year are applied to the 2026/27 budget

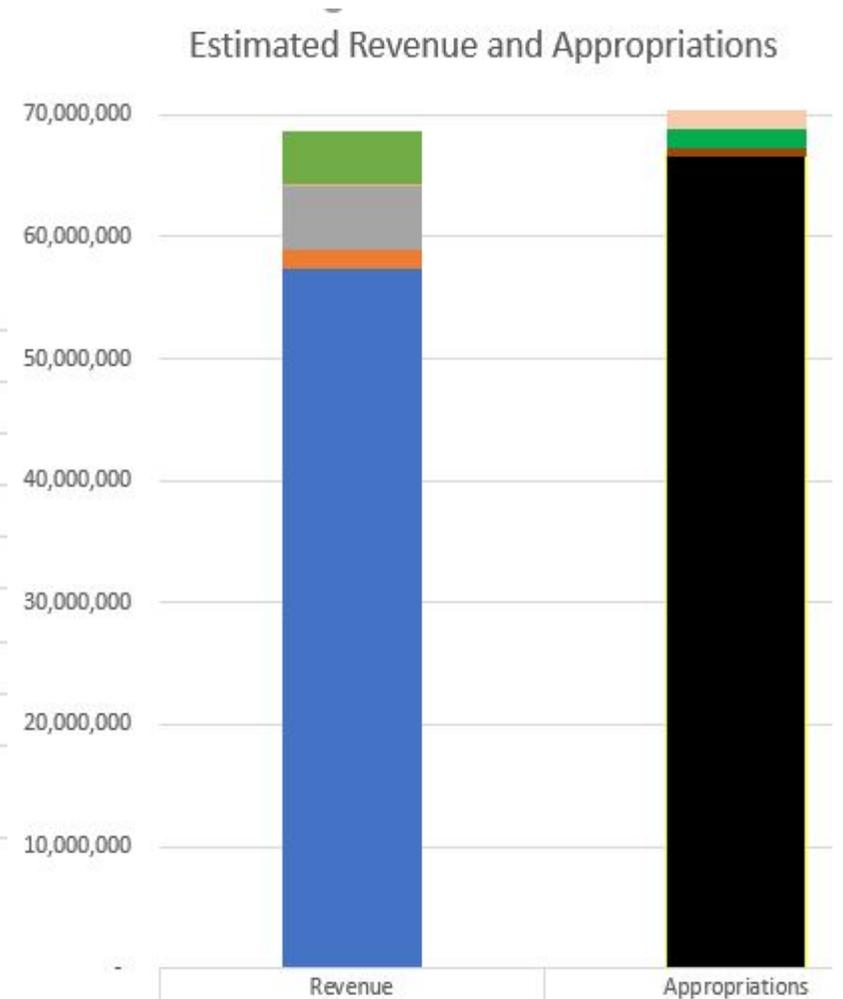
# BALANCING A SCHOOL BUDGET & NEXT STEPS

- 52:27B-20 Requires the Governor to provide their budget address by the Fourth Tuesday of February. Past history demonstrates the legislature may allow more time for a new governor, and may extend that date (S3219 would allow a 2 week extension)
- Once State Aid is announced and District have final allocations, budgets can be finalized and entered into the State database and prepared for Board approval.
- New Jersey Public School Districts are required to approve and submit a **balanced** budget for County Executive Superintendent approval by March 20th
  - Anticipated Revenues match exactly to Appropriations (anticipated expenditures)
  - Districts **cannot** run a deficit
- Following County Executive Superintendent approval, the Board of Education must hold a public hearing specifically for the School Budget, by May 7th

# 2026-2027 BUDGET SUMMARY OF BUDGET DRIVERS AND ANTICIPATED FUNDING

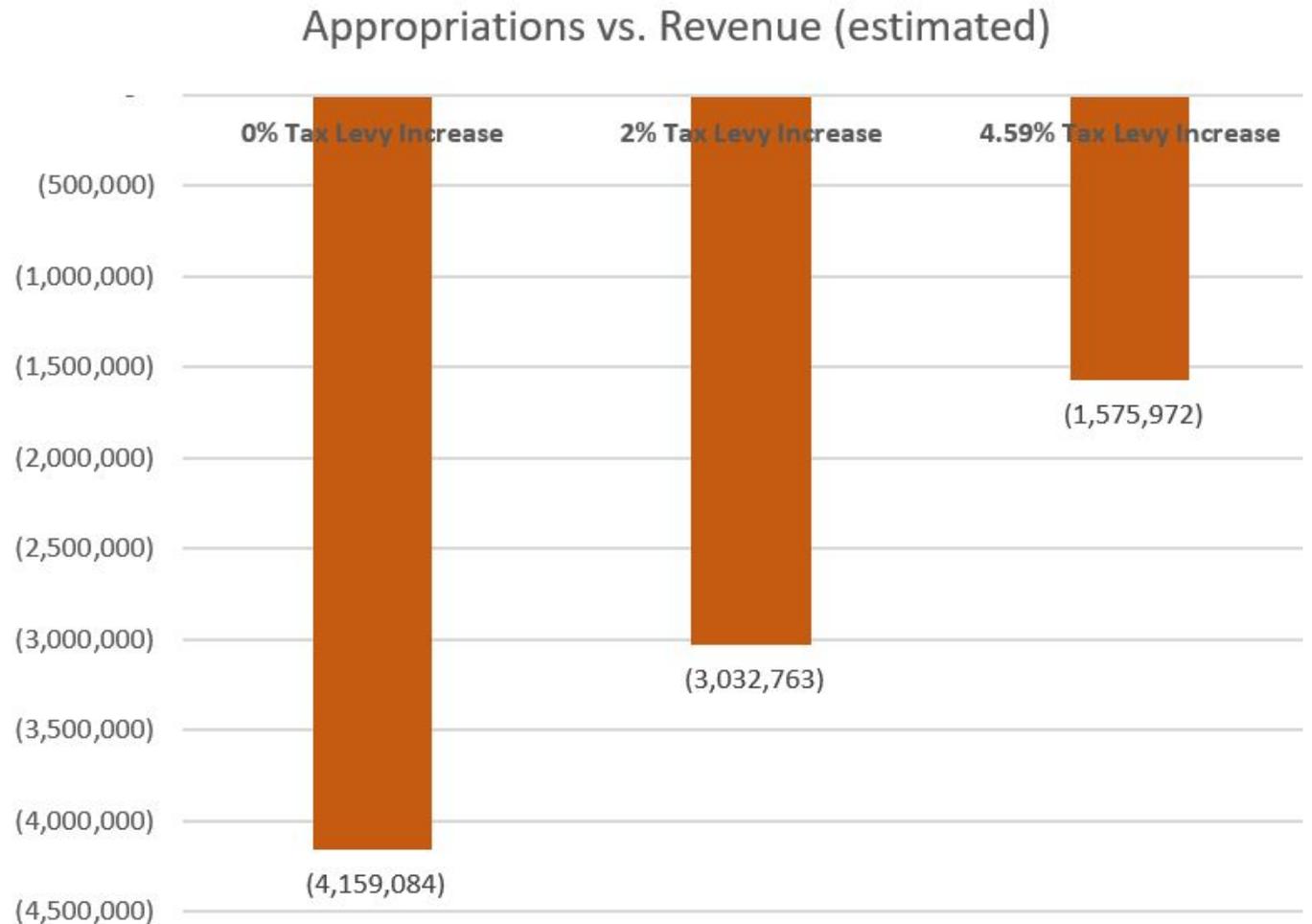
- Below are the estimated revenue sources, utilizing all available taxing authority, and estimated appropriations prior to reductions

	Revenue	Appropriations
Salary Increases		1,399,698
Health Benefit Increase		1,630,018
Transportation Increase		674,342
Prior Year Budgeted Expenditures		66,597,882
State Aid (TBD)	4,176,810	
Miscellaneous	200,000	
Tuition	200,000	
Budgeted Surplus	5,250,000	
Health Benefit Adjustment (2.59% levy increase)	1,456,791	
Tax Levy Base (with 2% increase)	57,442,367	



# 2026-2027 BUDGET SUMMARY OF ESTIMATED APPROPRIATIONS VS. REVENUE

- Estimated Revenues are \$1.6 million below the anticipated appropriations if **all** taxing authority is utilized (approx 4.6%)
- Estimated Revenues are \$3 million below the anticipated appropriations if taxes are increased by **2%**
- Estimated Revenues are \$4.2 million below the anticipated appropriations if taxes are increased **0%**



# BUDGET GOALS & STRATEGIC PLAN ALIGNMENT

1. **Maintain Comprehensive Educational and Extra-Curricular Programs:** A primary goal is to maintain the current level of student academic courses, co-curricular offerings such as clubs and activities, and the 20 different types of athletic programs offered at multiple levels. This ensures the district continues to provide a thorough and efficient education to the entire student population.
2. **Ensure Safe and Functional Facilities:** The budget aims to maintain safe, functional, and clean facilities for all students and staff. This involves managing capital projects, such as HVAC improvements and maintaining our facilities, both interior and exterior, while utilizing other opportunities like state aid and grants to minimize the burden on local taxpayers.
3. **Attract and Retain Highly Qualified Staff:** The district seeks to attract and retain high-caliber employees. To achieve this, the budget must meet contractual obligations, including salary increases negotiated through Collective Bargaining Agreements, which represent the largest segment of the operating budget. The investment we make in our staff is the largest contributor to student achievement.
4. **Exercise Fiscal Responsibility and Cost Containment:** A critical goal is to prepare a budget that is fiscally responsible to the district's taxpayers. This includes implementing cost containment strategies to mitigate rising expenses in areas like transportation, health benefits, and out-of-district tuition, especially as costs often outpace revenue sources like the 2% tax levy increase.
5. **Align with Strategic Goals and State Mandates:** The budget preparation process places District Strategic Plan Goals and Objectives at the forefront of its decision-making. Furthermore, the district must ensure the budget is structured to meet all NJ State Mandates and legislative requirements.

# Navigating Tomorrow: The NHV Strategic Path Forward (2025-2030)

A five-year roadmap for the North Hunterdon-Voorhees Regional High School District, developed through extensive community engagement to empower every student for the future.



## IMPORTANT SKILLS FOR SUCCESS



Stakeholders identified critical thinking as the most vital skill for students leaving the district.

## FUTURE-FOCUSED PRIORITIES

### EMBRACING AI & TECHNOLOGY

Emphasizing AI literacy, ethical usage, and specialized staff training for real-world applications.

### STRENGTHENING PERSONNEL & RETENTION

Key focus areas include improving staff morale and offering competitive salaries.



# THANK YOU

Kathryn Blew, CPA, QPA  
Business Administrator/Board Secretary

Dr. Richard Bergacs  
Superintendent

This presentation and other budget resources are located on our [District website](#)

## **Mission Statement:**

The North Hunterdon-Voorhees Regional High School District empowers all students through innovative and personalized learning to achieve their full potential, embrace lifelong learning, and contribute responsibly to a changing world.