

**Hudson Regional Health Commission
BUDGET – JUSTIFICATION 2026**

APPROPRIATION INCREASE/DECREASE:

The 2026 Budget Appropriation of \$3,960,224 reflects an overall increase of \$427,000 or approximately 13.59%, compared to the 2025 Budget. This increase is primarily due to an increase in personnel costs of **\$414,391** and contracts for services of **\$12,609**. The overall budget increase is largely due to a reduction in grant funding for 2026. Unlike the 2025 Budget, which included a full 12 months of grant and agreement funding, the 2026 Budget accounts for only six months of anticipated funding from most grants and agreements, and just three months of funding for one specific grant.

Increases/Decreases are summarized below:

Salary: Increase \$291,315

The increase in this category is due to a reduction in number of grants, and that the 2026 Budget includes only six months of anticipated funding from most grants and agreements. One specific grant includes just three months of funding. This impacts personnel costs for employees whose costs are split between these grants and the consolidated fund. In contrast, the 2025 Budget reflected a full 12 months of funding from these grants.

Overtime, On Call and Temporary Employees: No increase/Decrease

Overtime, on-call, and temporary employee costs remain below the amounts budgeted in 2025 and are expected to remain the same in 2026.

Payroll Taxes (FICA/SUI): Increase \$13,528

Payroll taxes are directly tied to the amount budgeted under employee compensation. The payroll Tax calculation accounts for the FICA exemption on the employee-paid portion of health insurance and AFLAC, which is estimated at \$174,258 in 2026 (excluding six months of grant-funded positions). We remain at the highest tier of the health insurance contribution chart; therefore, the employee contribution percentage toward health benefits will remain unchanged in 2026. The State Unemployment Insurance (SUI) is calculated based on the state wage limit of \$43,300 per employee per year.

Health Benefit: Increase \$64,011

The amount budgeted in this category is based on previous years' experience and reflects savings from the employee-paid portion of health insurance, estimated at \$171,671 in 2026 (excluding six months of grant-funded positions). A 16.48% increase in health insurance premiums from 2024 to 2025 was factored into the 2026 budget calculations. This amount also reflects a reduction in number of active grants, and that the 2026 Budget includes only six months of anticipated funding from most grants and agreements. One specific grant includes just three months of funding. This impacts personnel costs for employees whose costs are shared between these grants and the consolidated fund. In contrast, the 2025 Budget reflected a full 12 months of funding from these grants.

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Dental: Increase \$234

The amount budgeted in this category is based on prior years' experience and includes an 8.45% increase in dental insurance premiums from 2024 to 2025, which was factored into the 2026 budget. It also reflects a reduction in number of active grants, and that the 2026 Budget includes including only six months of anticipated funding from most grants and agreements, and just three months from one specific grant. This impacts personnel costs for employees whose costs are shared between these grants and the consolidated fund. In contrast, the 2025 Budget reflected a full 12 months of funding from these grants.

Retiree Health Benefit: Increased \$9,793

The amount budgeted in this category is based on prior years' experience and reflects an average premium increase of 9.66% between the 2024 and 2025 policy years. All current retiree plans are Medicare Supplemental plans, and no new enrollments are anticipated in the 2026 Budget. Since none of the retirees were grant-funded employees, the full cost is charged to the consolidated fund.

Workers' Compensation: Decrease (\$3,066)

Workers' compensation costs are directly tied to the amounts budgeted under employee compensation. A premium decrease from 2024 to 2025 was factored into the 2026 Budget; however, the resulting savings are partially offset by increases in overall employee compensation.

P.E.R.S: Increase \$38,576

The Public Employees Retirement System (PERS) is funded at 100% of the required contribution and is directly tied to employee compensation. A premium increase of 0.19% from the 2024 to 2025 actual bills was factored into the 2026 Budget. This slight increase is primarily due to the pension system's calculation method, which incorporated a new enrollment period in the 2023/2024 billing cycle, with no new enrollments in the 2024/2025 cycle.

All Other Budget Categories: Increase \$12,609

This category reflects a \$12,609 increase in contractual costs, primarily due to an \$11,110 increase in insurance expenses due to a 12.95% premium rate increase from 2024 to 2025. Additionally, auditor costs increased by \$1,499, mainly due to a reduction in the portion of the audit expense covered by grant funding in 2026 compared to the previous year.

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REVENUE INCREASE/DECREASE:

The Commission's projected revenue for the 2026 Budget is \$3,960,224, reflecting an overall increase of \$427,000, or approximately 13.59%, compared to the 2025 Budget.

Increases/Decreases are summarized below:

Hudson County: Increase: \$37,378

A 2% increase in Hudson County's Agreement is anticipated for 2026.

Hudson County Improvement Authority: Increase \$5,700

A 3% increase is anticipated for the Hudson County Improvement Authority's Agreement in 2026.

Essex Regional Health Commission: Decrease (\$13,903)

This decrease is due to the fact that the 2025 Budget includes the IT Service Agreement with ERHC, whereas the 2026 Budget does not anticipate this agreement.

Deferred Revenue R&C: Increase \$235,846

The overall increase in this category is because the R&C revenue for the 2026 budget was set at the maximum allowable amount based on the first year of the registration cycle, whereas the 2025 budget included only the amount necessary to balance the budget.

HRHC Penalty (EQEF): Decrease (\$64,493)

The entire EQEF fund balance was utilized in 2025, leaving no available funds for the 2026 Budget.

HRHC Local Penalty: Decrease (\$3,385)

All penalties collected were accounted for in the 2025 Budget, leaving no funds available for 2026.

Reserve: Increase \$229,857

The increase in this category reflects an increase in the amount required from surplus to balance the 2026 Budget. This is primarily due to a \$427,000 increase in budget appropriations, partially offset by \$197,143 in additional revenue, consisting of a \$43,078 increase in the County and HCIA agreements and \$235,846 in deferred revenue, offset by a combined decrease of (\$81,781) in ERHC, EQEF, and penalty revenues.

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Appropriations:

Personnel	\$2,880,252
Grant Programs	\$ 392,250
Office	\$ 97,500
Travel	\$ 51,300
Contractual	\$ 246,705
Equipment	\$ 128,900
Other	<u>\$ 163,317</u>

Total Appropriations	<u>\$3,960,224</u>
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Revenue:

Sufficient revenue must be generated from various sources to support the annual spending plan. The revenues used to fund the 2026 Budget are summarized below:

Revenue Sources:

Local Revenues (Municipal & County)	\$2,366,437
Miscellaneous Revenue	\$ 237,275
HRHC EQEF	\$
ERHC	\$ 99,468
RESERVE	\$ 229,857
R&C	<u>\$ 325,000</u>

Total	<u>\$3,258,037</u>
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State Revenues	\$ 416,940
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Federal Revenues	<u>\$ 285,247</u>
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Total Revenues	<u>\$3,960,224</u>
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Thank you,

Marisol Leguizamon
Chief Financial Officer

2026 BUDGET APPROPRIATIONS

	2025		2026		
GENERAL APPROPRIATIONS	Budget As Amnd	Estimated Expenditures	2026 Proposed Budget	2026 Budget to 2025 Budget \$ Change	2026 Budget to 2025 Actual \$ Change
<u>PERONNEL</u>					
SALARIES	1,617,024.00	1,611,229.75	1,908,339.00	291,315.00	297,109.25
OVERTIME	22,000.00	13,269.49	22,000.00	0.00	8,730.51
ON CALL	14,000.00	11,020.00	14,000.00	0.00	2,980.00
TEMPORARY	26,000.00	25,915.34	26,000.00	0.00	84.66
PAYROLL TAXES-FICA	122,894.00	122,700.71	136,422.00	13,528.00	13,721.29
PAYROLL TAXES-SUI	10,695.00	10,359.82	10,695.00	0.00	335.18
HEALTH BENEFIT	255,755.00	253,945.46	319,766.00	64,011.00	65,820.54
DENTAL	14,552.00	13,401.54	14,786.00	234.00	1,384.46
RETIREE BENEFIT	104,915.00	104,847.58	114,708.00	9,793.00	9,860.42
WORKER'S COMPENSATION	21,000.00	20,210.78	17,934.00	(3,066.00)	(2,276.78)
P.E.R.S.	257,026.00	252,952.00	295,602.00	38,576.00	42,650.00
ACCRUED ABSENCES	0.00	0.00		0.00	0.00
TOTAL	2,465,861.00	2,439,852.47	2,880,252.00	414,391.00	440,399.53
<u>GRANT PROGRAMS (*INCLUSIVE OF P/R)</u>					
HCIA EQEF RESERVE	0.00	0.00			
IDLING 2024/2025	7,533.00	7,533.00			
IDLING 2025/2026	7,750.00	7,750.00	7,750.00		
STATE LEAD GRANT 2024/2025	206,959.00	206,959.00			
STATE LEAD GRANT 2025/2026	195,545.00	195,545.00	195,545.00		
NJACCHO 2024/2025	63,386.00	63,386.00			
NJACCHO 2025/2026	81,338.00	81,338.00			
CDC-BASE 2024/2025	113,321.00	113,321.00			
CDC-BASE 2025/2026	79,408.00	79,408.00	79,408.00		
CDC-CRI 2024/2025	64,818.00	64,818.00			
CDC-CRI 2025/2026	64,817.00	64,817.00	64,817.00		
CHIF GRANT 2024/2025	983,152.00	983,152.00			
CHIF GRANT 2025/2026	1,687,031.00	1,687,031.00			
MRC GRANT 2024/2025	32,171.00	32,171.00			
SLPH GRANT 2024/2025	37,918.00	37,918.00			
SLPH GRANT 2025/2026	21,267.00	21,267.00	21,267.00		
NJIT Mosquito Novel Optical Se Grant 26/27	0.00	0.00	23,463.00		
UASI MORRIS COUNTY	2,326.00	2,326.00			
COUNTY SLF 2024	231,285.00	231,285.00			
STATE SLF 2024	28,041.00	28,041.00			
TOTAL	3,908,066.00	3,908,066.00	392,250.00	0.00	0.00
<u>OFFICE</u>					
OFFICE SUPPLIES	25,000.00	8,907.04	25,000.00	0.00	16,092.96
POSTAGE	8,500.00	7,838.50	8,500.00	0.00	661.50
COPIER LEASE	3,500.00	3,094.00	3,500.00	0.00	406.00
PUBLICATION & SUBSCRIPTION	13,000.00	12,130.50	13,000.00	0.00	869.50
LEGAL ADVERTISEMENT	2,500.00	1,035.45	2,500.00	0.00	1,464.55
OFFICE EQUIPMENT	40,000.00	0.00	40,000.00	0.00	40,000.00
COMPUTER SOFTWARE	5,000.00	0.00	5,000.00	0.00	5,000.00
TOTAL	97,500.00	33,005.49	97,500.00	0.00	64,494.51

2026 BUDGET APPROPRIATIONS

	2025		2026		
GENERAL APPROPRIATIONS	Budget As Amnd	Estimated Expenditures	2026 Proposed Budget	2026 Budget to 2025 Budget \$ Change	2026 Budget to 2025 Actual \$ Change
<u>TRAVEL</u>					
CONVENTION & MEETINGS	6,000.00	1,332.72	6,000.00	0.00	4,667.28
AUTO MAINTENANCE	19,500.00	16,315.27	19,500.00	0.00	3,184.73
GASOLINE	25,000.00	20,492.30	25,000.00	0.00	4,507.70
MILEAGE REIMBURSEMENT	800.00	540.46	800.00	0.00	259.54
TOTAL	51,300.00	38,680.75	51,300.00	0.00	12,619.25
<u>CONTRACTUAL</u>					
INSURANCE-JIF	61,588.00	61,490.00	72,698.00	11,110.00	11,208.00
AUDITOR	27,120.00	21,738.00	28,619.00	1,499.00	6,881.00
LEGAL	24,000.00	20,245.50	24,000.00	0.00	3,754.50
PAYROLL SERVICE	3,200.00	2,174.07	3,200.00	0.00	1,025.93
WEATHER & EMERG. OPERATIONS	1,500.00	1,500.00	1,500.00	0.00	0.00
IT CONSULTANT	116,688.00	52,305.17	116,688.00	0.00	64,382.83
TOTAL	234,096.00	159,452.74	246,705.00	12,609.00	87,252.26
<u>EQUIPMENT</u>					
GENERAL SUPPLIES	32,000.00	17,469.83	32,000.00	0.00	14,530.17
EQUIPMENT	40,000.00	0.00	40,000.00	0.00	40,000.00
EQUIPMENT MAINTENANCE	15,900.00	15,813.25	15,900.00	0.00	86.75
VEHICLE	41,000.00	0.00	41,000.00	0.00	41,000.00
TOTAL	128,900.00	33,283.08	128,900.00	0.00	95,616.92
<u>OTHER</u>					
TRAINING	12,000.00	3,866.00	12,000.00	0.00	8,134.00
COMMUNICATION	19,800.00	11,031.61	19,800.00	0.00	8,768.39
MEDICAL SURVEILANCE	4,000.00	0.00	4,000.00	0.00	4,000.00
LABORATORY	3,000.00	706.50	3,000.00	0.00	2,293.50
COMMISSION MEETING	2,300.00	1,207.50	2,300.00	0.00	1,092.50
BANK SERVICE FEES	700.00	293.62	700.00	0.00	406.38
MISCELLANEOUS	17,017.00	1,204.82	17,017.00	0.00	15,812.18
MEMBERSHIP/LICENSE	6,000.00	4,347.99	6,000.00	0.00	1,652.01
RESERVE FOR EMERGENCY OPERATION	40,000.00	0.00	40,000.00	0.00	40,000.00
MOVING EXPENSE	7,000.00	0.00	7,000.00	0.00	7,000.00
RECORD DESTRUCTION	1,500.00	211.73	1,500.00	0.00	1,288.27
RECORD SCANNING	50,000.00	17,053.80	50,000.00	0.00	32,946.20
TOTAL	163,317.00	39,923.57	163,317.00	0.00	123,393.43
TOTAL	<u>7,049,040.00</u>	<u>6,652,264.10</u>	<u>3,960,224.00</u>	<u>427,000.00</u>	<u>823,775.90</u>

2026 BUDGET ANTICIPATED REVENUE

GENERAL REVENUES	2025		2025	
	Budget As Amnd	Estimated Revenue	2026 Proposed Budget	2026 Budget to 2025 Actual Change
MUNICIPAL	219,860.00	219,860.00	219,860.00	0.00
CEHA/USEPA	96,292.00	96,292.00	96,292.00	0.00
CEHA/CORE/PESTICIDE	196,070.00	196,070.00	196,070.00	0.00
IDLING 2024/2025	7,533.00	7,533.00	0.00	0.00
IDLING 2025/2026	7,750.00	7,750.00	7,750.00	0.00
RTK	17,575.00	17,575.00	17,575.00	0.00
HCIA	190,010.00	190,010.00	195,710.00	5,700.00
COUNTY	1,868,889.00	1,868,889.00	1,906,267.00	37,378.00
ESSEX REGIONAL HEALTH COMMISSION	113,371.00	113,371.00	99,468.00	(13,903.00)
W.O-H.O. Agreement	20,000.00	20,000.00	20,000.00	0.00
EBL: Bayonne	4,200.00	4,200.00	4,200.00	0.00
East Newark	0.00	0.00	0.00	0.00
Guttenberg	1,200.00	1,200.00	1,200.00	0.00
Harrison	2,400.00	2,400.00	2,400.00	0.00
Hoboken	600.00	600.00	600.00	0.00
Kearny	3,000.00	3,000.00	3,000.00	0.00
North Bergen	1,800.00	1,800.00	1,800.00	0.00
Secaucus	2,400.00	2,400.00	2,400.00	0.00
Union City	4,800.00	4,800.00	4,800.00	0.00
Weehawken	1,800.00	1,800.00	1,800.00	0.00
West New York	2,400.00	2,400.00	2,400.00	0.00
RESERVE	0.00	0.00	229,857.00	229,857.00
DEFERRED REVENUE R&C	89,154.00	89,154.00	325,000.00	235,846.00
MISCELLANEOUS REVENUE	237,275.00	237,275.00	237,275.00	0.00
HRHC EQEF	64,493.00	64,493.00	0.00	(64,493.00)
HRHC LOCAL PENALTY	3,385.00	3,385.00	0.00	(3,385.00)
HCIA EQEF RESERVE	0.00	0.00	0.00	
STATE LEAD GRANT 2024/2025	206,959.00	206,959.00	0.00	
STATE LEAD GRANT 2025/2026	195,545.00	195,545.00	195,545.00	
NJACCHO 2024/2025	63,386.00	63,386.00	0.00	
NJACCHO 2025/2026	81,338.00	81,338.00	0.00	
CDC-BASE 2024/2025	113,321.00	113,321.00	0.00	
CDC-BASE 2025/2026	79,408.00	79,408.00	79,408.00	
CDC-CRI 2024/2025	64,818.00	64,818.00	0.00	
CDC-CRI 2025/2026	64,817.00	64,817.00	64,817.00	
CHIF GRANT 2024/2025	983,152.00	983,152.00	0.00	
CHIF GRANT 2025/2026	1,687,031.00	1,687,031.00	0.00	
MRC GRANT 2024/2025	32,171.00	32,171.00	0.00	
SLPH GRANT 2024/2025	37,918.00	37,918.00	0.00	
SLPH GRANT 2025/2026	21,267.00	21,267.00	21,267.00	
NJIT Mosquito Novel Optical Se Grant 26/27	0.00	0.00	23,463.00	
UASI MORRIS COUNTY	2,326.00	2,326.00	0.00	
COUNTY SLF 2024	231,285.00	231,285.00	0.00	
STATE SLF 2024	28,041.00	28,041.00	0.00	
TOTAL	7,049,040.00	7,049,040.00	3,960,224.00	427,000.00

Resolution # 25-09-13

THE HUDSON REGIONAL HEALTH COMMISSION

RESOLUTION

WHEREAS the Annual Budget for the Hudson Regional Health Commission (the Commission) for the fiscal year beginning 01/01/2026 and ending, 12/31/2026, has been presented for introduction and adoption before the governing body of the Commission at its open public meeting of 09/16/2025 and

WHEREAS, the Annual Budget presented for introduction and adoption reflects each item of revenue and appropriation; and

WHEREAS, the Annual Budget as presented for adoption reflects Total Revenues of \$ 3,730,367, Total Unrestricted Net Assets utilized of \$ 229,857 and Total Appropriations, \$ 3,960,224; and

NOW THEREFORE BE IT RESOLVED by the Board Members of the Hudson Regional Health Commission, at an open public meeting held on as follows:

1. The annual Budget for the fiscal year beginning 01/01/2026 and ending 12/31/2026 is adopted and shall constitute appropriations for the purposes stated.
2. The Executive Director is authorized and directed to take all necessary steps in furtherance of this resolution, including making expenditures and taking receipt of

revenue, transferring and investing funds, and reporting in accordance with prevailing Commission policy and procedures.

Introduced and passed _____

Ayes: _____

Nays: _____

Abstention: _____

Absent: _____

I certify that this is a true copy of a resolution duly adopted
at a meeting of: _____

Signature of Above Authorized Person(s)