

Hudson Regional Health Commission

BUDGET – JUSTIFICATION 2027

APPROPRIATION INCREASE/DECREASE:

The 2027 Budget Appropriation of \$4,766,929 represents an overall increase of \$487,644, or approximately 13.93%, compared with the 2026 Budget. The increase is primarily due to a **\$357,635** increase in personnel costs, **\$165,837** from the unfunded vaccination program costs, a **\$7,189** increase in contracts for services, and a **\$14,000** increase in equipment costs. These increases are partially offset by a **\$57,017** decrease in the Other Costs category.

The Commission operates under a structural deficit in which expenditures continue to increase due to fixed obligations, particularly fringe benefit costs, while fixed revenues remain largely unchanged. These financial pressures can be partially mitigated by allocating a portion of the Commission's overall administrative costs to existing grant-funded programs.

In addition to unavoidable increases in fringe benefit costs, the primary cause of the overall increase in the 2027 Budget are the anticipated reduction in grant funding for 2027 and the Commission's assumption of previously unfunded vaccination program costs.

Increases/Decreases are summarized below:

Salary: Increase of \$237,153

The increase in this category is primarily due to changes in grant funding anticipated for 2027, specifically related to consolidated personnel costs allocated between the consolidated budget and the various grant funded programs. The 2027 Budget accounts for 12 months of grant funded personnel costs, including anticipated funding from grants and agreements for the 2026/2027 fiscal year, as well as potential renewals of grants and agreements for the 2027/2028 fiscal year.

Temporary Employees: Decrease of \$26,000

Temporary employee roles will be covered by vaccination staff in 2027. The associated credit has been applied and taken into consideration when calculating the unfunded vaccination costs.

Overtime and On Call: No Increase/Decrease

Overtime and on call costs remain below the amounts budgeted for 2026 and are expected to remain at the same level in the 2027 Budget. No increase or decrease is anticipated in this category.

Payroll Taxes (FICA/SUI): Increase of \$14,465

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 are estimated at \$192,765 in 2027 (excluding grant-funded positions). The organization remains at the highest tier of the health insurance contribution chart; therefore, the employee contribution percentage toward health benefits is expected to remain unchanged in 2027. State Unemployment Insurance (SUI) is calculated based on the applicable state wage limit of \$44,800 per employee per year.

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Health Insurance Benefits: Increase of \$85,099

The amount budgeted in this category is based on prior-year experience and reflects anticipated savings from the employee-paid portion of health insurance, estimated at \$190,178 for 2027 (excluding grant-funded positions). Health insurance premiums increased by 35.44% from 2025 to 2026; however, the 2027 Budget assumes a more conservative 12% increase in health insurance premiums. Based on prior-year experience, it is unlikely that the State of New Jersey Health Benefit Program will experience a premium increase comparable to the rate implemented in the previous year. In addition to the 12% increase in health insurance premiums, the increase in this category is primarily due to a reduction in grant funding anticipated for 2027, specifically related to consolidated personnel costs allocated between the consolidated budget and various grant-funded programs. The 2027 Budget accounts for 12 months of grant-funded personnel costs, including anticipated funding from grants and agreements for the 2026/2027 fiscal year, as well as potential renewals of grants and agreements for the 2027/2028 fiscal year.

Dental Insurance Benefits: Increase of \$2,704

The amount budgeted in this category is based on prior-year experience. Dental insurance premiums increased by 6.12% from 2025 to 2026, and this increase has been incorporated into the 2027 Budget calculations.

In addition to the 6.12% increase in dental insurance premiums, the increase in this category is primarily due to a reduction in grant funding anticipated for 2027, specifically related to consolidated personnel costs allocated between the consolidated budget and various grant-funded programs. The 2027 Budget accounts for 12 months of grant-funded personnel costs, including anticipated funding from grants and agreements for the 2026/2027 fiscal year, as well as potential renewals of grants and agreements for the 2027/2028 fiscal year.

Retiree Health Insurance Benefits: Increase of \$13,387

Retiree health insurance premiums increased by 20.48% from 2025 to 2026. However, the 2027 Budget assumes a more conservative 12% increase in premiums. Based on prior-year experience, it is unlikely that the State of New Jersey Health Benefit Program will experience a premium increase comparable to the rate implemented in the previous year.

Workers' Compensation: No Increase/Decrease

Workers' compensation costs are directly tied to the amounts budgeted for employee compensation. Although a decrease in workers' compensation premiums from 2025 to 2026 was incorporated into the 2027 Budget, the resulting savings are offset by increases in overall employee compensation. These increases are primarily due to changes in anticipated grant funding for 2027, specifically related to consolidated personnel costs allocated between the consolidated budget and various grant-funded programs. As a result, no net increase or decrease is anticipated in workers' compensation costs for 2027.

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P.E.R.S: Increase of \$30,827

The Public Employees' Retirement System (P.E.R.S.) is funded at 100% of the required contribution and is directly tied to employee compensation. The 2027 Budget incorporates a 0.43% decrease in the actual P.E.R.S. billing from 2025 to 2026. This slight decrease is primarily due to the pension system's calculation methodology, which takes into consideration salary on new enrollment included in the time period used to calculate the bill, there is no new enrollments included in the 2025/2026 billing cycle.

Although the decrease in the P.E.R.S. bill was incorporated into the 2027 Budget, the resulting savings are offset by increases in overall employee compensation. These increases are primarily due to changes in anticipated grant funding for 2027, specifically related to consolidated personnel costs allocated between the consolidated budget and various grant-funded programs. As a result, the 2027 Budget reflects a net increase of \$30,827 in P.E.R.S. costs.

Programs (Inclusive of Payroll):

Vaccination Program: Increase of \$165,837

To charge the Consolidated Reserve for the Commission's assumption of the unfunded vaccination program costs following the expiration of grant funding on July 31, 2026. This amount anticipates that FY 2028 grant funding will be available to offset a portion of these costs.

All Other Operating Expense Categories: Decrease of (\$35,828)

This category reflects a net decrease of \$35,828 in other operating expenses. The decrease is primarily due to a \$57,017 reduction in the Other Costs category, partially offset by a \$7,189 increase in contractual costs and a \$14,000 increase in equipment costs.

The increase in contractual costs is primarily due to a \$5,404 increase in storage unit rental expenses. The 2026 Budget reflects only a partial year of these expenses, while the 2027 Budget reflects a full year at the reduced space, which is approximately half of the prior cost. Additionally, auditor fees are expected to increase by \$1,785, primarily due to a reduction in the portion of audit expenses covered by grant funding in 2027 compared with the prior year.

The increase in equipment costs is due to the 2026 Budget reflecting the purchase price of a replacement vehicle net of anticipated insurance coverage, while the 2027 Budget reflects the full purchase price of one additional vehicle.

The decrease in the other cost category is primarily due to adjustments across various line items to more accurately align budgeted amounts with historical actual expenditures.

Hudson Regional Health Commission

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REVENUE INCREASE/DECREASE:

The Commission's projected revenue for the 2027 Budget is \$4,766,929, reflecting an overall increase of \$487,644, or approximately 13.92%, compared to the 2026 Budget.

Increases/Decreases are summarized below:

Hudson County: Increase of \$38,125

This increase reflects a 2% increase in Hudson County's agreement for 2027.

Hudson County Improvement Authority: Increase of \$5,871

This increase reflects a 3% increase in the Hudson County Improvement Authority's agreement for 2027.

Essex Regional Health Commission: Decrease of \$19,316

This decrease is due to the fact that the 2026 Budget includes revenue associated with the IT Service Agreement with the Essex Regional Health Commission, while the 2027 Budget does not anticipate renewal of this agreement.

Deferred Revenue R&C: No Increase/Decrease

The 2026 budgeted amount was based on the maximum allowable amount based on the first year of the registration cycle, taking into consideration estimated collections through December 31, 2026. The 2027 estimated amount is based on the amount on account as of December 31, 2026. As a result, no net increase or decrease is anticipated in this line item for 2027.

HRHC Penalty (EQEF): Decrease of \$43,175

The full EQEF fund balance was utilized in 2026, resulting in no remaining available funds to be budgeted for 2027.

HRHC Local Penalty: Decrease of \$1,886

All penalties collected were recognized in the 2026 Budget, resulting in no remaining funds available to be budgeted for 2027.

Reserve: Increase of \$508,514

The increase in this category reflects the additional amount required from surplus to balance the 2027 Budget. This increase is primarily due to a **\$321,807** increase in consolidated budget appropriations, **\$165,837** to cover the costs of the vaccination program following the expiration of funding on July 31, 2026, and a **\$20,870** decrease in projected revenue.

The \$20,870 change in projected revenue include a \$43,996 increase from the County and Hudson County Improvement Authority (HCIA) agreements, as well as a \$67 adjustment to the 2025/2026 idling revenue. These increases are partially offset by a combined \$64,933 decrease in projected revenue from the Essex Regional Health Commission (ERHC), Food Vendor License Fees, EQEF, and penalty revenues, as detailed above.

Hudson Regional Health Commission

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Appropriations:

Personnel	\$3,128,108
Grant Programs	\$ 941,616
Office	\$ 97,500
Travel	\$ 53,800
Contractual	\$ 295,380
Equipment	\$ 142,900
Other	<u>\$ 107,625</u>

Total Appropriations	<u>\$4,766,929</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 2027 Budget are summarized below:

Revenue Sources:

Local Revenues (Municipal & County)	\$2,390,433
Miscellaneous Revenue	\$ 237,275
HRHC EQEF	\$
ERHC	\$ 99,468
West Orange H.O. Agreement	\$ 20,000
RESERVE	\$ 725,063
R&C	<u>\$ 325,000</u>

Total	<u>\$3,797,239</u>
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State Revenues	\$ 620,939
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Federal Revenues	<u>\$ 348,751</u>
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Total Revenues	<u>\$4,766,929</u>
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Thank you,

Marisol Leguizamon
Chief Financial Officer

2027 BUDGET APPROPRIATIONS

GENERAL APPROPRIATIONS	2026		2027		
	Budget As Amnd	Estimated Expenditures	2027 Proposed Budget	2027 Budget to 2026 Budget \$ Change	2027 Budget to 2026 Actual \$ Change
PERONNEL					
SALARIES	1,768,265.00	1,759,667.56	2,005,418.00	237,153.00	245,750.44
OVERTIME	30,400.00	30,185.04	30,400.00	0.00	214.96
ON CALL	14,000.00	14,000.00	14,000.00	0.00	0.00
TEMPORARY	26,000.00	25,902.50	0.00	(26,000.00)	(25,902.50)
PAYROLL TAXES-FICA	126,000.00	125,893.37	141,465.00	15,465.00	15,571.63
PAYROLL TAXES-SUI	10,000.00	8,204.81	9,000.00	(1,000.00)	795.19
HEALTH BENEFIT	362,000.00	361,426.18	447,099.00	85,099.00	85,672.82
DENTAL	15,600.00	15,594.47	18,304.00	2,704.00	2,709.53
RETIREE BENEFIT	126,208.00	126,017.70	139,595.00	13,387.00	13,577.30
WORKER'S COMPENSATION	17,000.00	16,926.18	17,000.00	0.00	73.82
P.E.R.S.	275,000.00	274,304.65	305,827.00	30,827.00	31,522.35
ACCRUED ABSENCES	0.00	0.00		0.00	0.00
TOTAL	2,770,473.00	2,758,122.46	3,128,108.00	357,635.00	369,985.54
GRANTS PROGRAMS (*INCLUSIVE OF P/R)					
HCIA EQEF RESERVE	650.00	650.00			
IDLING 2025/2026	8,194.00	8,194.00			
VACCINATION 2027	116,026.00	116,026.00	281,863.00	165,837.00	
IDLING 2026/2027	7,750.00	7,750.00	7,750.00		
STATE LEAD 2025/2026	200,840.00	200,840.00			
STATE LEAD 2026/2027	195,544.00	195,544.00	195,544.00		
NJACCHO SLPH 2025/2026	54,442.00	54,442.00			
NJACCHO ELPH 2026	183,879.00	183,879.00			
CDC-BASE 2025/2026	111,981.00	111,981.00			
CDC-BASE 2026/2027	110,401.00	110,401.00	110,401.00		
CDC-CRI 2025/2026	64,819.00	64,819.00			
CDC-CRI 2026/2027	64,817.00	64,817.00	64,817.00		
CHIF 2025/2026	950,719.00	950,719.00			
LPH-OPR 2026/2027	120,000.00	120,000.00	120,000.00		
LPH-PHG 2026/2027	42,131.00	42,131.00	77,241.00		
SLPH 2025/2026	21,823.00	21,823.00			
TOBACCO 2026/2027	56,000.00	56,000.00	84,000.00		
LARVICIDE (YEEO)	10,000.00	10,000.00			
FIFA FOOD VENDORS	1,844.00	1,844.00			
COUNTY SLF	161,115.00	161,115.00			
TOTAL	2,482,975.00	2,482,975.00	941,616.00	165,837.00	0.00
OFFICE					
OFFICE SUPPLIES	25,000.00	17,546.92	25,000.00	0.00	7,453.08
POSTAGE	8,500.00	8,273.82	8,500.00	0.00	226.18
COPIER LEASE	3,500.00	3,499.59	3,500.00	0.00	0.41
PUBLICATION & SUBSCRIPTION	13,000.00	12,188.94	13,000.00	0.00	811.06
LEGAL ADVERTISEMENT	2,500.00	2,230.21	2,500.00	0.00	269.79
OFFICE EQUIPMENT	40,000.00	8,000.00	40,000.00	0.00	32,000.00
COMPUTER SOFTWARE	5,000.00	0.00	5,000.00	0.00	5,000.00
TOTAL	97,500.00	51,739.48	97,500.00	0.00	45,760.52

2027 BUDGET APPROPRIATIONS

GENERAL APPROPRIATIONS	2026		2027		
	Budget As Amnd	Estimated Expenditures	2027 Proposed Budget	2027 Budget to 2026 Budget \$ Change	2027 Budget to 2026 Actual \$ Change
<u>TRAVEL</u>					
CONVENTION & MEETINGS	8,500.00	8,305.89	8,500.00	0.00	194.11
AUTO MAINTENANCE	19,500.00	13,781.58	19,500.00	0.00	5,718.42
GASOLINE	25,000.00	24,445.93	25,000.00	0.00	554.07
MILEAGE REIMBURSEMENT	800.00	796.66	800.00	0.00	3.34
TOTAL	53,800.00	47,330.06	53,800.00	0.00	6,469.94
<u>CONTRACTUAL</u>					
INSURANCE-JIF	72,698.00	66,511.47	72,698.00	0.00	6,186.53
AUDITOR	38,105.00	38,105.00	39,890.00	1,785.00	1,785.00
LEGAL	24,000.00	23,298.63	24,000.00	0.00	701.37
PAYROLL SERVICE	3,200.00	3,138.19	3,200.00	0.00	61.81
WEATHER & EMERG. OPERATIONS	1,500.00	1,500.00	1,500.00	0.00	0.00
IT CONSULTANT	116,688.00	82,450.78	116,688.00	0.00	34,237.22
BOAT SLIP RENTAL	3,000.00	3,000.00	3,000.00	0.00	0.00
STORAGE UNIT RENTAL	29,000.00	29,000.00	34,404.00	5,404.00	5,404.00
TOTAL	288,191.00	247,004.07	295,380.00	7,189.00	48,375.93
<u>EQUIPMENT</u>					
GENERAL SUPPLIES	32,000.00	21,707.33	32,000.00	0.00	10,292.67
EQUIPMENT	40,000.00	15,000.00	40,000.00	0.00	25,000.00
EQUIPMENT MAINTENANCE	15,900.00	15,463.47	15,900.00	0.00	436.53
VEHICLE	41,000.00	0.00	55,000.00	14,000.00	55,000.00
TOTAL	128,900.00	52,170.80	142,900.00	14,000.00	90,729.20
<u>OTHER</u>					
TRAINING	12,000.00	6,993.63	12,000.00	0.00	5,006.37
COMMUNICATION	19,800.00	11,183.99	19,800.00	0.00	8,616.01
MEDICAL SURVEILANCE	4,000.00	190.00	2,000.00	(2,000.00)	1,810.00
LABORATORY	3,000.00	0.00	0.00	(3,000.00)	0.00
COMMISSION MEETING	3,200.00	3,161.50	3,200.00	0.00	38.50
BANK SERVICE FEES	1,125.00	1,123.46	1,125.00	0.00	1.54
MISCELLANEOUS	17,017.00	2,817.53	10,000.00	(7,017.00)	7,182.47
MEMBERSHIP/LICENSE	6,000.00	5,329.85	6,000.00	0.00	670.15
RESERVE FOR EMERGENCY OPERATION	40,000.00	0.00	40,000.00	0.00	40,000.00
MOVING EXPENSE	7,000.00	0.00	0.00	(7,000.00)	0.00
RECORD DESTRUCTION	1,500.00	250.00	1,500.00	0.00	1,250.00
RECORD SCANNING	50,000.00	8,200.00	12,000.00	(38,000.00)	3,800.00
TOTAL	164,642.00	39,249.96	107,625.00	(57,017.00)	68,375.04
TOTAL	5,986,481.00	5,678,591.83	4,766,929.00	487,644.00	629,696.17

2027 BUDGET ANTICIPATED REVENUE

GENERAL REVENUES	2026		2027	
	Budget As Amnd	Estimated Revenue	2027 Proposed Budget	2027 Budget to 2026 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 2025/2026	8,127.00	8,127.00	0.00	67.00
IDLING 2026/2027	7,750.00	7,750.00	7,750.00	0.00
RTK	17,575.00	17,575.00	17,575.00	0.00
HCIA	195,710.00	195,710.00	201,581.00	5,871.00
COUNTY	1,906,267.00	1,906,267.00	1,944,392.00	38,125.00
ESSEX REGIONAL HEALTH COMMISSION	118,784.00	118,784.00	99,468.00	(19,316.00)
W.O-H.O. AGREEMENT	20,000.00	20,000.00	20,000.00	0.00
FOOD VENDOR LICENSE FEE	2,400.00	2,400.00	0.00	(556.00)
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	216,549.00	216,549.00	725,063.00	508,514.00
DEFERRED REVENUE R&C	325,000.00	325,000.00	325,000.00	0.00
MISCELLANEOUS REVENUE	237,275.00	237,275.00	237,275.00	0.00
HRHC EQEF	43,175.00	43,175.00	0.00	(43,175.00)
HRHC LOCAL PENALTY	1,886.00	1,886.00	0.00	(1,886.00)
HCIA EQEF RESERVE	650.00	650.00	0.00	
STATE LEAD 2025/2026	200,840.00	200,840.00	0.00	
STATE LEAD 2026/2027	195,544.00	195,544.00	195,544.00	
NJACCHO SLPH 2025/2026	54,442.00	54,442.00	0.00	
NJACCHO ELPH 2026	183,879.00	183,879.00	0.00	
CDC-BASE 2025/2026	111,981.00	111,981.00	0.00	
CDC-BASE 2026/2027	110,401.00	110,401.00	110,401.00	
CDC-CRI 2025/2026	64,819.00	64,819.00	0.00	
CDC-CRI 2026/2027	64,817.00	64,817.00	64,817.00	
CHIF 2025/2026	950,719.00	950,719.00	0.00	
LPH-OPR 2026/2027	120,000.00	120,000.00	120,000.00	
LPH-PHG 2026/2027	42,131.00	42,131.00	77,241.00	
SLPH 2025/2026	21,823.00	21,823.00		
TOBACCO 2026/2027	56,000.00	56,000.00	84,000.00	
LARVICIDE (YEE0)	10,000.00	10,000.00	0.00	
COUNTY SLF	161,115.00	161,115.00	0.00	
TOTAL	5,986,481.00	5,986,481.00	4,766,929.00	487,644.00

Resolution # 26-09-12

THE HUDSON REGIONAL HEALTH COMMISSION

RESOLUTION

WHEREAS the Annual Budget for the Hudson Regional Health Commission (the Commission) for the fiscal year beginning 01/01/2027 and ending, 12/31/2027, has been presented for introduction and adoption before the governing body of the Commission at its open public meeting of 09/15/2026 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 \$ 4,041,866, Total Unrestricted Net Assets utilized of \$ 725,063 and Total Appropriations, \$ 4,766,929; 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 01/01/2027 and ending 12/31/2027 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)