



April 9, 2025

Dear Flemington-Raritan Regional School District Parents, Staff, and Community Members,

Our district's 2025-2026 school budget is not yet final. We've learned new information worthy of thorough and sincere consideration. Our District received guidance from the Hunterdon County Business Official through the New Jersey Department of Education that Flemington-Raritan Regional School District qualifies for a New Jersey State brand-new **tax levy incentive aid program**. This is a one-time opportunity to exceed the 2% tax cap law and raise our local tax levy regardless of the failed special question and the additional adjustments that we've taken. It's important to share this new development with our community ahead of the April 10 Board meeting and the May 1 Board meeting when a final budget public hearing will be held and final budget approval is anticipated.

### **What financial deficit does Flemington-Raritan Regional School District face for the 2025-2026 school year?**

After voters defeated the March 11 special question to raise the tax levy by 6%, our Board of Education approved a preliminary budget. Rather than remain at the 2% cap, the Board raised the tax levy by 4% because the District qualified for budget adjustments. The operating budget now includes the 2% cap, plus an additional 2% from partial adjustments taken for increased enrollment and healthcare costs. I wrote about this to our community [here](#). The operating budget was set at \$70 million flat, which is \$434,234 less than our current school year operating budget. To date, 50 positions were eliminated and 15 more are anticipated at the April 10 Board meeting. Remember, 30 of these positions were included in the failed special question and cannot be reinstated.

### **How would this new tax levy incentive aid program help us fill this gap?**

This program provides a one-time exception to the 2% tax cap law for school districts like Flemington-Raritan that are below their "adequacy budget" and their "local fair share." Even though our tax levy increased by 4%, the District is still deemed below adequacy and is eligible for this program. Flemington-Raritan is the only school district in Hunterdon County that is deemed "under adequacy," which means we are not spending what the state says we should be to provide a thorough and efficient education as mandated by the State. It also means our property tax levy is below the local fair share. Local fair share is the amount of school funding a district must provide locally, based on its property values and residents' income. State aid and local fair share are intended to equal the amount needed for adequate funding.

### **How much is the District under adequacy and its local fair share?**

According to the State of New Jersey, our district's \$70 million operating budget for the 25-26 school year is \$3,765,753 under adequacy. The FRSD property tax levy is \$10,203,100 below its local fair share. Through this program, the state provides a one-time additional funding for the 2025-26 school year worth 5% of the taxes raised through this exception. Now, FRSD is eligible to raise the local tax levy to reduce current budget deficits and funding shortfalls, as well as shortfalls that are projected for the future. Applications to participate in this program are due from school districts to the NJDOE on April 14; therefore, a motion to participate in this program appears on the April 10 Board agenda. The Board must adopt its final budget on May 1.

### **Strategic Goals:**

**Goal Area #1:** The District will provide a comprehensive and rigorous educational experience that connects and expands students' knowledge while engaging and empowering all learners to synthesize and apply their skills and understandings in meaningful ways.

**Goal Area #2:** Develop a continuation of a multi-tiered system of support within the district to target the social, emotional, and mental health needs of students.

**Goal Area #3:** The district will create opportunities to foster unity between the community and the school district in order to strengthen partnerships and develop a shared responsibility for student success.

**Goal Area #4:** Create an enticing and competitive work environment to attract and retain high-quality candidates representative of students' diverse backgrounds in the Flemington Raritan Regional School District community.

**Goal Area #5:** Ensure the finance and facilities needs are budgeted to upkeep and meet the needs of the growing district.

### **What is the financial impact of this tax levy incentive aid program on the community?**

According to the State, the Board and District are eligible to raise the school tax levy up to 10.1%, for an additional \$3,070,762 in revenue, with the ability to qualify to receive up to \$146,227 from the State of New Jersey with the District's submission of the Tax Levy Incentive Application. There is a potential to be rewarded a higher amount, up to \$1 million, depending on the number of applicants to the state with this new tax levy incentive aid program.

### **What does the approval of the tax levy incentive mean for the District?**

While the approval of the tax levy increase would allow the District to avoid further cuts, the Board understands that such an increase has tax implications for Flemington-Raritan residents. The approval of the tax levy incentive program allows the District to avoid more cuts and support the thorough and efficient education of all our students now and in the future.

### **When will the Board decide to apply for the tax levy incentive?**

Additional information will be presented at the next Board meeting on Thursday, April 10, and again on May 1, 2025. A motion appears on the April 10 Board agenda to allow the District to apply for the tax levy incentive aid. Please know that to move forward with participating in this program, the Board must approve the full amount for which we are eligible to apply to the aid program. Ultimately, it is the Board's discretion how much, if any, of the award to accept and the increase in the tax levy for which the District is eligible.

### **Is Flemington-Raritan the only district considering this tax levy incentive aid program?**

This program is for school districts that are below their "adequacy budget" and their "local fair share." Specific districts considering this program include Brick, Collingswood, Hillsborough, Hazlet, and Middletown, to name just a few. Flemington-Raritan is the only district in Hunterdon County that is eligible for this program.

### **How can I learn more about the tax levy incentive aid program and provide the Board with feedback?**

Below is the schedule of upcoming Board of Education meetings:

- Thursday, April 10 - Board Meeting, 7 PM, J.P. Case Middle School
- Thursday, May 1 - Board Meeting/2025-2026 Final Budget Public Hearing, 7 PM, J.P. Case Middle School

Sincerely,

*Kari McGann, Ed.D.*

Superintendent of Schools

P.S. Special thanks is extended to the Collingswood School District as excerpts of this letter originated [here](#).

#### *Sources:*

Information in this letter is published in the following articles:

- School Finance 101 from the NJSBA, linked [here](#).
- Understanding New Jersey School Aid Funding from the NJSBA, linked [here](#).

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