

**FLEMINGTON-RARITAN
REGIONAL SCHOOL DISTRICT**



2025-2026 BUDGET TAX LEVY INCENTIVE AID

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APRIL 10, 2025





TAX LEVY INCENTIVE AID

The Tax Levy Incentive Aid option is a state program that enables school districts to secure more state funding for the 2025–26 school budget. This type of aid assists school districts that are deemed by the state of New Jersey as “under adequacy” and have been impacted substantially by state aid cuts over many years.

To be “under adequacy” means the district is not spending what the state says they should be to provide a thorough and efficient education as mandated by the New Jersey Constitution — and whose property tax levy is below the local fair share.

The FRSD budget is \$3,765,753 below adequacy.

The property tax levy is \$10,203,100 below local fair share.

How it works:

The program allows qualifying districts to get additional funding through a one-time exception to the 2% cap on tax levy increases.

Districts that do so would receive additional aid from the state of 5% of the amount of the adjustment for the 2025-26 budget year.

Other districts considering this tax incentive aid option:

Brick, NJ
Collingswood, NJ
East Brunswick, NJ
Haddon Township, NJ
Hillsborough, NJ
Middletown, NJ



Tax Levy Incentive Aid **TIMELINE**

**March
11**

Special Question Voted Down

The public voted down the special question that would have raised the tax levy by 6% and would have preserved 30 staffing positions.

**March
13**

Tax Levy Incentive Aid (TLIA) Announced

The District received a Key Alert from the New Jersey Association of School Business Officials. The alert announced the Tax Levy Incentive Aid program, but without guidance or specifics for school districts to apply.

**March
17**

Board Approves Preliminary 2025-2026 Budget

The Board of Education approved the '25-26 preliminary budget with the operating budget set at \$70 million flat. This budget raises the tax levy by 4%, which is the 2% cap plus an additional 2% from increased enrollment and health care cost budget adjustments. The budget required 35 more positions to be reduced.

**March
28**

FRSD Qualifies for TLIA Program

The District received official notice from the NJDOE that FRSD may apply for the TLIA program.



Tax Levy Incentive Aid **TIMELINE**

**April
1 & 3**

County Office Provides TLIA Guidance

The County Office provided the District with general guidance on the TLIA program on April 1. On April 3, the County office provided specific tax levy incentive numbers.

**April
2,4,8,9**

Board Discussions & Community Notification

On April 2 & 4, the Board's Operations Committee discussed the TLIA program. On April 8 & 9, small groups of board members held informal discussions. On April 9, the District sent out a community letter and the April 10 Board agenda was posted.

**April
10**

Board Considers TLIA Program Participation

As of this Board agenda, 65 positions have been reduced for the 25-26 school year, 30 of which are from the failed special question and cannot be reinstated. The Board is considering applying for the TLIA program which allows our Board to raise the tax levy by up to 10.1%. We qualify because FRSD is deemed by the state to be "inadequately funded" by the tax base's local "fair share." Applications are due to the NJDOE on April 14.

**May
1**

Final Budget Approval

The Board will hold a public hearing on the final budget and will determine the final tax levy percentage increase, if any. Final budget adoption is anticipated.





TAX LEVY INCENTIVE AID OVERVIEW

Here's a look at how increasing tax levy changes the budget:

4%

\$70 MILLION

Current Approved
Preliminary Budget

Loss of 65 FRSD team
members; faculty &
staff.

5.1%

\$70.6 MILLION

Does not require the
district to make
additional cuts. This
increase saves
additional positions
from being reduced.

8%

\$72.3 MILLION

Potentially restores up
to 9 teaching positions
with other funds
available to stabilize
future budgets. (i.e.,
basic skills, G&T, and
others TBD.)

10.1%

\$73.6 MILLION

The maximum amount
the Board can raise the
tax levy. Potentially
restores up to 15 teaching
positions with other funds
available to stabilize
future budgets.

FRSD can now apply for a 5% on-the-dollar tax incentive.

For every dollar raised by the tax levy, the state will give FRSD another 5 cents per dollar.

TAX IMPACT

Tax Percentage Increase	Budget Total	Total Tax Increase in \$\$	Tax Impact - Borough	Tax Impact - Raritan Twp.
4.00%	\$70,000,000	\$2,388,749	\$3,361 - Annual decrease \$305	\$5,655 - Annual increase \$189
5.10%	\$70,694,991	\$3,083,740	\$3,630 - Annual decrease \$36	\$5,685 - Annual increase \$219
7.00%	\$71,791,562	\$4,180,311	\$3,659 - Annual decrease \$6	\$5,732 - Annual increase \$267
8.00%	\$72,388,750	\$4,777,499	\$3,675 - Annual increase \$10	\$5,758 - Annual increase \$292
10.10%	\$73,619,526	\$6,008,275	\$3,708 - Annual increase \$43	\$5,811 - Annual increase \$345
	Average Assessed Home:		\$371,418	\$406,941
			Per Borough tax assesor's office	Per Raritan Township tax assesor's office

TAX IMPACT

Tax Impact - Borough ▾	Tax Impact - Raritan Twp. ▾
\$3,619 - Annual decrease \$328	\$8,338 - Annual increase \$269
\$3,909 - Annual decrease \$38	\$8,382 - Annual increase \$313
\$3,941 - Annual decrease \$7	\$8,451 - Annual increase \$382
\$3,958 - Annual increase \$11	\$8,489 - Annual increase \$420
\$3,994 - Annual increase \$46	\$8,567 - Annual increase \$498
\$400,000	\$600,000

Q & A

THANK YOU

