

A1

Also Present: William W. Zylinski, Acting Superintendent
Sharon Ormsbee, Business Administrator/Board Secretary
Cameron Morgan, Board Attorney

REPORT OF THE SUPERINTENDENT

Mr. William W. Zylinski, Acting Superintendent, presented the proposed Amended Tentative Budget for the 2025-2026 School Year. The tentative budget proposed is meant to keep local control and avoid a state takeover. The tentative budget includes major cuts to programs, staff, and services, increased class sizes, restructuring of elementary schools, and elimination of courtesy bussing. In addition, no salary increases are included and a property tax increase is proposed.

PUBLIC COMMENT

Public comment asking the board to pass the tentative budget and prioritize student needs, with many stressing that education is not just about numbers, but about investing in children, community, and the future. Comment concerns about overcrowded classrooms, loss of extracurricular programs, and cuts to special education and enrichment courses and concerns on student performance and motivation, especially for students with disabilities. Comment on the large amount of state and federal aid Rutgers University receives, while local districts like Lacey face steep cuts. The current crisis stems from years of state funding cuts under New Jersey's S2 legislation. Response stated if the proposed budget is passed, all sports and co-curricular programs will be restored, though significant staff and service cuts would remain. Importance in investing in children, community, and the future.

SUPERINTENDENT COMMENT

Mr. Zylinski, Acting Superintendent, reiterated a few points from the presentation and expressed the importance of keeping local control of the District. The budget being a compromise though having many sacrifices. There will be cuts, however, there could be more if the state was to take over. The resolution is a step toward getting tax relief and state aid, while avoiding state control. It's about keeping the future of our schools in our hands.

BOARD MEMBER COMMENT

Board Member comments both opposed or supported the tentative budget. Concerns over raising taxes and the burden on the community with no assurance of a repeat next school year. Others supported the tentative budget stating to preserve programs and avoid the risk of a state takeover. Collectively, all members expressed frustration with the state's failure to provide adequate school funding.

RESOLUTION(S)

Move that the Board approve the following Resolution - A.1.:

Motion by Mrs. Walker, seconded by Mr. Conaty. Roll call vote as follows:

Mr. Armato - nay

Mr. Peters - aye

Mr. Bell - aye

Mrs. Armato - nay

Mrs. Walker - aye

Mr. Conaty - aye

Mrs. Klaus - aye

(A) NEW BUSINESS

1. ADOPTION OF THE AMENDED TENTATIVE BUDGET FOR 2025-2026 SCHOOL YEAR AND THE APPLICATION SUBMISSION, ADDITIONAL EXPENDITURES AND TAX INCENTIVE AID

MOTION: Application Submission – Additional Expenditures and Tax Incentive Aid

WHEREAS, in the proposed FY2026 State Budget, certain districts have the opportunity to apply to the Commission of Education to increase expenditures, including an allocation of Tax Levy Incentive Aid, in order to satisfy the thoroughness and efficiency standards established pursuant to N.J.S.A. 18A:7F-46, and

WHEREAS, based on the information provided by the New Jersey Department of Education, Lacey Township is below local fair share and spending below adequacy to be eligible to participate in this program, and

WHEREAS, Lacey Township is eligible to increase expenditures by up to \$17,541,395 and qualify for Tax Levy Incentive Aid in the amount of up to \$877,070, and

WHEREAS, Lacey Township is requesting to increase expenditures by \$2,837,051 and qualify for Tax Levy Incentive Aid in the amount of \$135,098, and

WHEREAS, General Fund Expenditure Budget as proposed is \$73,342,557, which is an increase of 2.84% from the prior year budget (10-year average increase is 1.11% when comparing original budgets to original budgets), and

WHEREAS, a large portion of the increases are attributable to projected cost increases in health insurance, transportation, utility costs insurances and special education, etc; and

WHEREAS, the Lacey Township School District is requesting the approval to increase expenditures based on the following reasons to maintain 39 teaching positions.

WHEREAS, during the last ten years the Lacey Township School District has utilized all allowable increases under the School Funding Reform Act and S2; and

WHEREAS, Lacey Township School District requires additional funding to satisfy the increased cost and projected expenditures related to health care, insurance, utility, special education and transportation costs; and

WHEREAS, despite the latest Taxpayers' Guide to Education Spending (2024) demonstrating that Lacey Township School District already has one of the lowest comparative cost per pupil in the state for districts with 3500+ students, the district is not seeking an increase in expenditures above the amount already proposed in the submitted 2025-26 tentative budget, but rather the district is seeking a funding solution for the \$2,837,051 necessary to cover those proposed expenditures, which are necessary for a thorough and efficient education, and to qualify for Tax Levy Incentive Aid in the amount of \$135,098, and

WHEREAS, the New Jersey Department of Education is proposing capping state aid losses at 3%, and state aid gains at 6% for the 2025-26 budget cycle, thereby acknowledging the need for 'guardrails' when there are significant changes in state aid allocations from year to year, and such guardrails have been necessary in districts like Lacey Township School District for many years, therefore, if Lacey Township School District's aid losses were capped at 3% annually and applied retroactively beginning with the 2020-21 school year, this would result in a state aid adjustment of \$10,649,520 for the 2025-26 budget cycle (the district is not seeking retroactive funding prior to the 2025-26 budget cycle), which would provide a sustainable funding solution to address the district's projected revenue shortfall for the 2025-26 school year, and

WHEREAS, by approving this resolution, the Board of Education is seeking the authority to increase the tax levy by \$2,837,051, as this solution is necessary for the Chief School Administrator (CSA) to balance the 2025-26 proposed budget and provide a thorough and efficient education, and

WHEREAS, by approving this resolution, the Board of Education is **NOT** authorizing a \$2,837,051 tax increase and will continue to explore and exhaust all opportunities to recover lost state aid, but is simply approving the submission of the application for authorization to do the same and to request Tax Incentive Aid, and

THEREFORE, the Lacey Township School District Board of Education is approving the submission of this application to the Commissioner of Education.

Amended Tentative Budget for 2025-2026 School Year

Move that the Board adopt the amended tentative budget for the 2025-2026 school year.

BE IT RESOLVED that the amended tentative budget for the 2025-2026 school year be approved using the 2025-2026 state aid figures, and that the School Business Administrator/Board Secretary be authorized to submit the following amended tentative budget to the Ocean County Executive County Superintendent of Schools for approval in accordance with the statutory deadline:

	General	Special	Debt	
	<u>Fund</u>	<u>Revenues</u>	<u>Service</u>	<u>Total</u>
Total Expenditures	\$73,342,557	\$9,078,347	\$2,349,850	\$84,770,754
Less: Anticipated Revenues	<u>9,583,510</u>	<u>9,078,347</u>	<u>275,945</u>	<u>18,937,802</u>
Taxes to be Raised	\$63,759,047	\$0	\$2,073,905	\$65,832,952

And to advertise said amended tentative budget in the Asbury Park Press and the Beacon newspapers in accordance with the form required by the State Department of Education and according to law; and

BE IT FURTHER RESOLVED, that a public hearing be held in the Lacey Township High School Lecture Hall, Lanoka Harbor, New Jersey on Wednesday, May 7, 2025 at 6:00 p.m. for the purpose of conducting a public hearing on and adopting the budget for the 2025-2026 school year.

Travel and Related Expense Reimbursement

WHEREAS, the Lacey Township Board of Education recognizes school staff and Board members will incur travel expenses related to and within the scope of their current responsibilities and for travel that promotes the delivery of instruction or furthers the efficient operation of the school district; and

WHEREAS, N.J.A.C. 6A:23A-7.3 et seq. requires Board members to receive approval of these expenses by a majority of the full voting membership of the Board and staff members to receive prior approval of these expenses by the Superintendent of Schools and a majority of the full voting membership of the Board; and

WHEREAS, the Lacey Township Board of Education established \$92,350 as the maximum travel amount for the current school year and has expended \$49,247 as of this date; now

THEREFORE, BE IT RESOLVED, the Board of Education approves travel and related expense reimbursements in accordance with N.J.A.C. 6A:23A-7.3, to a maximum expenditure of \$57,050 for all staff and board members for the 2025-2026 school year.

Adjustment to Health Care Costs

BE IT RESOLVED, that the Lacey Township Board of Education includes in the final budget the adjustment for increased costs of health benefits in the amount of \$1,428,884. The additional funds will be used to pay for the additional increases in health benefit premiums.

Use of Banked Cap

BE IT RESOLVED that the Lacey Township Board of Education includes in the proposed budget the adjustment for banked cap in accordance with N.J.A.C. 6A:23A-10.1(b). The district has fully exhausted all eligible statutory spending authority and must increase the base budget in the amount of \$104,051 for the purpose of maintaining 1 teacher. The district intends to complete said purposes by June 2026.

ADJOURNMENT

Move to adjourn the Special Meeting.

Motion by Mr. Peters. All in favor:

The Special Meeting adjourned at 7:29 p.m

Respectfully submitted,



Sharon Ormsbee
Business Administrator/Board Secretary