



SOUTHERN REGIONAL SCHOOL DISTRICT (SRSD) SCHOOL TAX SITUATION

Talking Points For Meeting with LBI Mayors

Objectives of the meeting

1. Arrive at a shared perspective that this severe inequity has dragged on far too long and we are in a stalemate that needs new thinking
2. Present ideas to the mayors about how this current tax inequity situation could be addressed. Solicit their opinions about those ideas & hear their own solutions
3. Gain the mayors' commitment to support our plan(s) and/or we agree to consider their plan(s) to move forward

Talking Points

Identify the issue

- An equitable system would be a worthy goal without regard to who wins or loses.
- The share of the SRSD school tax that LBI towns pay compared with Stafford's share is highly disproportionate and unfair to all LBI taxpayers (LBI contributes over 80% of the taxes for 8% of the students).
- This situation has been acknowledged & discussed for a long time, so we know you are familiar with the details.

State the purpose of this meeting

- JCTA members as a group have some ideas about how this situation could be addressed to make the tax burden distributed more fairly.
- We are here today to share our ideas with you about how this tax inequity situation could be lessened, to hear what you think about these ideas and to solicit your own ideas for moving forward.

Ask for help

- We are seeking your support to move forward with all the LBI mayors on board, which will go a long way convincing state legislators to enact new legislation¹.

¹ FYI: Current law requires a referendum in any town wanting to initiate a change PLUS agreement with the change by each of the remaining constituent towns. Logically, Stafford could be expected to decline to agree to any change in the current situation.

While we recognize that we don't have the legislative votes we need, some new thinking might break this impasse.

Describe the ideas

- **Work diligently to get new state-wide legislation passed** that requires a realistic mechanism for equitable adjustments in the distribution of costs among constituent municipalities based on the number of students AND property values. Currently within the SRSD only equalized property valuations are considered.

Apportionment of the tax using numbers of students and property valuations is allowed by a 1993 amendment to the law that allows districts to use both property values and enrollment. For LBI, however, this change would require passage of referendums in each municipality.

Regionalization agreement could be structured to allow reassessment of cost distribution if the cost per pupil deviates by more than 10% between any two constituent municipalities in the regional district.

- **Require Waretown (Ocean Township) to become a constituent member** of the SRSD. Currently Waretown is a sending district and, as such, pays an annual tuition-like fee of \$20,000 for each student attending SRSD in lieu of paying any taxes. The amount of the fee per student is determined by the SRSD Board of Education (BOE).

The mere action of requiring Waretown to become a constituent member and pay their fair share of the school budget would enable significant media visibility to the issue, and, if adopted, would precipitate an overall reduction in LBI school taxes. In addition, a reorganization of the SRSD would be required.

Importantly, a reorganization would require agreement among all constituent members on a new tax apportionment plan.

- **Increase LBI representation on the SRSD BOE & change voting protocols.** This idea has two parts: 1) Increase LBI representation from three seats to four on the BOE where the LBI members contribute in total more than more than 50% of the budget; and 2) Require motions to pass with at least a 2/3 majority.
- **Have our position ready as the new administration takes control in Trenton.** The new administration begins January 2026. It may serve us well to be ready with our position for approach to members of the new administration as soon as possible.

Listen to the mayors' opinion and suggestions

End of Talking Points

OTHER NOTES

During the October 6, 2025 JCTA meeting, the consensus among JCTA members was that **pursuing a lawsuit** was an option but going that route would be unproductive and a waste of time and money given that no town has been successful through a lawsuit.

That does not mean, however, that we can never consider this path again – in fact, several important changes in circumstances have occurred during the 5+ years since that lawsuit attempt fizzled so we might want to revisit this option:

- Most notably, there are two new mayors in Harvey Cedars and Barnegat Light. It was generally understood that, at the time the lawsuit was being discussed, the BL mayor was opposed to it and forward motion required unanimous participation of all LBI towns. A conversation with the two new mayors might be useful.
- If legal action is not pursued and legislative change seems unlikely, there seems to be no other option to break the stalemate and to create forward motion. A law firm could be engaged who could advise us on the merits of going forward and the obstacles in the way.
- It is possible that the threat of a lawsuit would motivate Stafford more than trying to pursue a legislative solution because a lawsuit would cost them more money. Why give up that leverage?

Withdrawing from the district as a constituent member and becoming a sending district was also rejected as an idea to pursue. The success rate of towns taking that path is almost zero. Only two municipalities (out of a multi-page list of those who tried) have been allowed to withdraw from the district:

- Loch Arbour, a section of a larger town, was able to leave its school district because it incorporated as a village. As a newly incorporated village they were allowed to vote on whether to stay within the district or withdraw; the majority of voters within the village voted to withdraw.
- North Haledon was initially allowed to withdraw through referendum but subsequently had that permission overturned by the NJ Supreme Court because such an action would create a racial imbalance. The town was required to stay in the school district, but as a consolation, the NJBOE commissioner decided that taxes would be based on a combination of student enrollment (50%) & property values (50%).

Note that the outcome of this situation is worth mentioning when talking about fairness. North Haledon was forced to accept remaining in the school district, so they were thrown an important bone on student taxes. The resolution seems to be a good example of remedying an inequitable system, but before it is mentioned as a talking point, a law firm familiar with these kinds of matters would need to advise us on how the North Haledon example works for or against us.