SOMERS POINT SCHOOL DISTRICT

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May 21, 2026

Subject: Urgent Funding Concerns Continue in the Somers Point School District

On behalf of your Board of Education, I would once again like to express the grave concerns of the financial stability of the Somers Point School District and the potential implications for our students and community at large. As a longstanding resident, taxpayer, and member of the Somers Point Board of Education for the past eleven years, I remain acutely aware of the changing landscape of our school district. Over the past two and a half decades, I have witnessed firsthand the shifts in our District's demographics and student population, as well as the shifts in our City's dynamics. Many families in our city continue to face significant financial challenges, with nearly 65% of our children determined to be at-risk. With four children who have either attended or are currently enrolled in the Somers Point School District, and with 23 years of dedicated service in public education, I have a deeply vested interest in ensuring the continued success and vitality of our educational community, which remains resolute and steadfast.

Despite our challenges, our district remains committed to providing a high-quality education to all students. However, this budget cycle saw yet another financial crisis that threatens to undermine our efforts. If you recall, last year saw a reduction in our State Aid of $64,986, and a staggering $1,135,459 the year before that. Our community has rallied in the face of this adversity: a letter writing campaign was initiated where hundreds of our parents and students participated in signing and sending letters to our state lawmakers to ask for funding relief and a change to the NJ School Funding Formula. Our Parent-Teacher Organization launched an online petition. Our City Council passed a Resolution requesting that our Public School State Aid be restored, and I testified before the State Senate Budget & Appropriations Committee two years in a row at their Public Hearing to illustrate the dire situation our school district and community faced–calling upon them to enact change in the form of stabilization aid, a cap on both decreases and increases in district allocations of state funding, and a comprehensive review of the antiquated NJ School Funding Formula.

Our advocacy efforts, along with those of many across the state, resulted in the passage of A4161/S3081, which provided last year's one-time only stabilization aid to our district in the

amount of $510,957. Those efforts also suggest the changes implemented this year by the State: a 3% cap on cuts to funding, as well as a maximum 6% increase.

This is progress, and we are grateful.

Unfortunately however, not enough progress for us: this year, the Somers Point School District saw a 3% reduction in State Aid, equating to a loss of $63,037. To date, we have lost a cumulative amount of $4,149,435 in state funding over the course of the past seven years. At the same time, increases in healthcare (25%) and energy costs (5-10%) have skyrocketed. The rise in costs is relatable–it's something we've all been feeling in our own households–but it is not being taken into account by the state with regard to funding our public schools. For the past couple of years we have emphasized the urgency of the outdated state-funding formula and the need for change. That is no longer the only pressing issue. The rising costs of healthcare and utilities must be addressed **immediately**–otherwise, it will not matter what the formula is, or who it figures is responsible for their fair share (state vs. local)--we simply will not be able to afford the state and local taxes necessary to keep up with such out of control rate increases.

The Somers Point School District has operated with fiscal responsibility, utilizing a modified zero-based budgeting approach that includes all of our administrators in the budget-cycle process. To mitigate these substantial losses, our district has once again had to make difficult decisions. Our proposed budget includes a 2% tax levy increase and a $648,080 healthcare adjustment. Even with these measures, the district is facing a 7.34 % effective tax increase. Most devastatingly, we were once again forced to make significant cuts for next year: 11 staff positions, totaling nearly $1,000,000.00 in salaries and benefits, while also implementing 25% reductions in all supply lines. This of course, is ***after*** we had to make cuts in 23 staffing positions over the last two years, eliminating positions which served to address learning loss and declining test scores that our district so desperately needs.

We are ALREADY operating at over one million dollars **below** "Adequacy", which is the state's definition of how much money we should be spending to provide a thorough and efficient education for our children. This is both shocking and upsetting.

Last year, in the eleventh hour of the budget cycle process, we received notification that the State was providing us with a "Tax Levy Incentive". This "incentive" would allow us to raise local taxes an additional 8.43% for a total 13.92% tax increase to generate an additional $1,019,104 into our budget. This "incentive" was not offered to every district in New Jersey: Out of 590 operating school districts in NJ, the State has identified Somers Point and 279 others as such whose "local fair share" of taxes is below what it should be. Therefore, under the terms of last year's "incentive" according to the State's calculations, of the $1,019,104 in revenue that would be added to our budget, $970,575 of that amount would be generated by the local taxpayer and $48,529 of that total amount would be provided through a one-time additional state aid. We were given a little over a week to review this information, interpret it, make a determination and then take formal action in a public meeting before the deadline imposed to move forward with this so-called "incentive". It has been and continues to be of

the utmost concern of the Somers Point Board of Education to provide for the educational needs of our students–while being fiscally prudent in the process of doing so. As elected officials who represent our proud working-class community, and despite the large amount of thoughtful consideration spent in that short amount of time, we simply could not in good conscience move forward with a decision of that magnitude in light of the above-captioned implications–although 85 other school districts in NJ did. Please note that the “tax-levy incentive” was not offered this year by the State to any district. But the resounding message from the State has been and continues to be that funding for schools should be placed on the back of the local taxpayer–not provided by the State–where we already send our tax dollars.

In light of these pressing challenges, I urge you to contact our state representatives. Please do it now and continue to do so, because next year we are anticipating even more difficulty than we have had so far. The call to action? A comprehensive review of our dated and ineffective school funding formula that takes into consideration the rising costs of our world today, specifically in employee healthcare and energy costs that overwhelmingly outpaces our revenue caps of 2%. We cannot expect schools to provide positive and safe learning environments for our children, with expected student achievement outcomes, when they are constantly having to navigate volatile funding while coping with the implications of that funding. Our students' futures and the well-being of our *entire* community, depends on swift and decisive action.

Please find additional important details of the measures our district has taken for your information at: https://tinyurl.com/sptsdbudgettimeline25

Lastly, please be sure to share this very important information with your friends and family who live in Somers Point.

Most Sincerely Yours in Education,

Staci DiMattia Endicott

President, Somers Point Board of Education