

Toms River, New Jersey, June 30, 2025

A Special Meeting of the Board of Education of the Toms River Regional Schools took place at High School North, 1245 Old Freehold Road, Toms River, on Monday, June 30, 2025 at 6:00 P.M.

Board President Mrs. Ashley Lamb read the following Opening Statement:

“Good Evening, Welcome to a Special Meeting of the Board of Education of the Toms River Regional Schools.”

“This meeting was announced to the public through a notice published in The Star Ledger and the Asbury Park Press on June 27, 2025, which constituted at least 48 hours notice as required by law under the Open Public Meetings Act.”

A roll call of attendance indicated the following Board Members were present: Mrs. Maria Matarazzo, Mr. Joseph Jubert, Mrs. Katie Coyne, Mrs. Lisa Contessa, Ms. Kathy Eagan, Mr. Kevin Kidney, Mr. James Capone, and Mrs. Ashley Lamb.

Also in attendance were Superintendent Citta, Assistant Superintendent Thomas, Business Administrator Doering, Board Secretary Saxton, Board Attorney Burns, and Special Litigation Attorney Blackburn.

Mrs. Paolo Pascarella was absent.

EXECUTIVE SESSION - 6:01 P.M.

A motion was made by Mr. Capone, seconded by Mrs. Contessa and carried that the following Executive Session Resolution be approved:

Resolved, that the Board of Education, at this time, move to a closed session to be held in High School North Media Center, 1245 Old Freehold Road, Toms River, New Jersey, for the purpose of:

Executive Session – *To Include* – Personnel; Legal/Litigation; Other. Subject to change.

as outlined under the Open public Meetings Act.

RETURN TO REGULAR SESSION – 6:39 P.M.

A motion was made by Mr. Capone, seconded by Mrs. Contessa and carried that the Board return to Regular Session at 6:39 P.M.

All members present voting Aye.

PLEDGE OF ALLEGIANCE

Board President Mrs. Ashley Lamb led the Board and audience in the Pledge of Allegiance.

SUPERINTENDENT MICHAEL CITTA READ A JUNE 30, 2025 LETTER FROM ASSISTANT COMMISSIONER DAVID CORSO TO BOARD PRESIDENT ASHLEY LAMB AND SUPERINTENDENT MICHAEL CITTA

The June 30, 2025 letter states:

“It is our understanding that the Toms River Regional School District Board of Education (Board) is scheduled to hold a meeting this evening beginning at 6:00 pm. As previously communicated to the Board, it is the New Jersey Department of Education’s (Department) expectation that the Board approves a budget for the 2025-2026 school year, in accordance with its obligations under State law, and provides for a thorough and efficient education for its students.

If, however, the Board fails to approve a budget for FY26 at the board meeting this evening, it is prohibited from expending any funds, or operating any educational programs past today’s date, until a budget for FY26 is approved. Accordingly, the Board and Administration must initiate closure procedures and activities to ensure no funds are expended until a budget for FY26 is approved.”

BOARD ATTORNEY WILLIAM BURNS READ THE RESOLUTION REGARDING THE DISTRICT BUDGET FOR 2025-2026 SCHOOL YEAR

Resolution Regarding District Budget for 2025-26

WHEREAS, the New Jersey State Constitution mandates a thorough and efficient system of free public schools for all children (New Jersey Constitution 1947 Article VIII, Section IV, Paragraph 1); and

WHEREAS, the Toms River Regional Schools Board of Education, together with the Superintendent, Administrators, Faculty, and Staff, has and continues to provide a thorough and efficient education (T&E), albeit survival T&E, to all students in Toms River Regional Schools, in fulfillment of the constitutional requirement; and

WHEREAS, federal and state law, including the Individuals with Disabilities Education Act (IDEA) 20 U.S.C. Chapter 33 § 1400 et seq. and Title 18A of New Jersey Statutes, requires Toms River Regional Schools to provide a Free and Appropriate Public Education (FAPE) to all special education students in Toms River Regional Schools; and

WHEREAS, the Toms River Regional Schools Board of Education, together with the Superintendent, Administrators, Faculty, and Staff, has and continues to provide a Free and Appropriate education, including services and programs contained in the student's Individualized Education Program (IEP), to all special education students in Toms River Regional Schools in accordance with federal and state law; and

WHEREAS, the Extended School Year program is an integral component of, and related service incorporated into, many special education students' IEPs and is critical to the provision of Free and Appropriate Public Education; and

WHEREAS, as a direct result of the New Jersey Department of Education's flawed funding formula, Toms River Regional Schools are \$107 million under adequacy; and

WHEREAS, the State's malfeasant application of the funding formula has resulted in the cumulative loss of \$175 million in state aid for student programs; and

WHEREAS, the draconian cuts in aid have already gutted Toms River Regional Schools, resulting in a reduction of over 250 faculty and staff positions, an increase in class sizes to critical levels, and a depletion of most supply and budget line items by thirty percent (30%); and

WHEREAS, Toms River Regional Schools is among the most efficiently run districts in the state of New Jersey; and

WHEREAS, Toms River Regional Schools is one of the lowest spending districts in the state, and is THE lowest spending district in its category (with nearly 100 districts), clearly illustrating that the New Jersey Department of Education-created financial crisis in Toms River Regional Schools is not a spending problem, but rather a revenue problem; and

WHEREAS, the revenue problem is a direct result of a fundamentally flawed funding formula based on secret data and questionable calculations, which the New Jersey Department of Education has still not revealed in response to an Open Public Records Request initially filed more than 5 years ago; and

WHEREAS, the Toms River Regional Board of Education has raised the tax levy to the highest amount permissible under the law in light of the statutory 2% cap; and

WHEREAS, while the state was slashing aid to Toms River while simultaneously increasing aid to other districts, Toms River Regional Schools taxpayers were taxed to the maximum amount allowed by law, a necessity to keep the school doors open; and

WHEREAS, while other districts received loans and state aid advancements from the New Jersey Department of Education, Toms River Regional Schools has been consistently denied such funding; and

WHEREAS, last year Toms River Regional Schools taxpayers suffered a 9.3% tax increase unilaterally imposed by the New Jersey Department of Education; and

WHEREAS, Toms River Regional Schools has been forced to sell \$20 million of assets to ensure the District continues to provide survival T&E to all students and Free and Appropriate education to special education students; and

WHEREAS, Toms River Regional Schools is once again in financial peril because the State of New Jersey arbitrarily and capriciously incorporated guardrails that capped state aid increases, resulting in the loss of millions of dollars of anticipated state aid; and

WHEREAS, the Superintendent and Business Administrator have and continue to communicate and develop solutions to the funding crisis; and

WHEREAS, the Superintendent's pleas for help have either been met with ultimatums and threats or have been completely ignored; and

WHEREAS, the only way to balance the budget for the 2025/2026 school year would be to increase revenue in the amount of \$22.3 million, an amount equal to twelve point nine percent (12.9%); and

WHEREAS, this year the New Jersey Department of Education refuses to provide any relief or take any action to impose a revenue stream to balance the 2025/2026 budget; and

WHEREAS, the Board has repeatedly and unanimously rejected the proposed budget that includes a 12.9% tax increase on top of the 9.3% tax increase last year; and

WHEREAS, this Board has a fiduciary duty to the taxpayers of this District, and will not subject them to a 22.2% cumulative tax increase over two years; and

WHEREAS, on June 23, 2025 and June 30, 2025, the State Department of Education issued illegal and immoral directives to Toms River Regional Schools ordering the delay of all programming and expenditures, including services for our most vulnerable students; and

WHEREAS, despite the New Jersey Department of Education directing the District to illegally delay services, programs, and expenditures, this Board of Education will continue to fulfill its constitutional obligations and statutory requirements to provide survival T&E and FAPE to our students; and

WHEREAS, failure of the New Jersey Department of Education to address the financial crises in Toms River Regional Schools, that the Department of Education created and continues to create including threatened punitive measures such as the deprivation of school aid to be paid to the District, will result in the Board of Education seeking relief in Chapter 9 of the Federal Bankruptcy Code; and

WHEREAS, Chapter 9 of the Federal Bankruptcy Code provides for reorganization of municipalities, which includes cities and towns, as well as villages, counties, taxing districts, municipal utilities, and school districts; and

WHEREAS, the purpose of Chapter 9 is to provide financially distressed school districts protection from creditors while they develop and negotiate a plan for adjusting debts; and

WHEREAS, the automatic stay of section 362 of the Bankruptcy Code is applicable in chapter 9 cases; and

WHEREAS, the Code of Ethics for School Board Members mandates that Board Members must not surrender their independent judgment to special interest or partisan political groups, even if those groups are state agencies or state personnel; and

WHEREAS, the Code of Ethics for School Board Members mandates that Board Members must make decisions in terms of the educational welfare of children and will seek to develop and maintain public schools that meet the individual needs of all children regardless of their ability, race, creed, or social standing; and

WHEREAS, the Code of Ethics requires Board Members to support and protect school personnel in the proper performance of their duties; and

WHEREAS, the Code of Ethics requires Board Members to carry out their responsibilities, not to administer the schools, but, together with fellow board members, to see that they are well run; and

WHEREAS, this Board, the Superintendent, and the administration make decisions in the best interest of our students and do what is good for kids;

NOW THEREFORE BE IT RESOLVED that the above Whereas clauses are hereby incorporated by reference as if set forth at length herein;

BE IT FURTHER RESOLVED that the Board of Education of Toms River Regional Schools rejects the illegal directive from the Department of Education to delay services, programs, and expenditures; and

BE IT FURTHER RESOLVED that the Board of Education of Toms River Regional Schools again rejects and does not adopt the proposed 2025/2026 budget with a 12.9% tax increase.

BE IT FURTHER RESOLVED that the Superintendent, administration, and entire faculty and staff are hereby directed to continue to do all things necessary and proper to ensure that all students continue to receive an uninterrupted thorough and efficient education; and

BE IT FURTHER RESOLVED that the Superintendent, administration, and entire faculty and staff are hereby directed to continue to do all things necessary and proper to ensure that all special education students continue to receive uninterrupted free and

appropriate education, including the timely start of an undelayed extended school year;
and

BE IT FURTHER RESOLVED that the Superintendent and Business Administrator are authorized to consult with and retain an attorney on behalf of the District to begin the process to file for bankruptcy protections under Chapter 9 of the Federal Bankruptcy Code;

APPROVAL OF THE RESOLUTION REGARDING DISTRICT BUDGET FOR 2025-2026

A motion was made by Mrs. Lamb, seconded by Mr. Capone and carried that the Approval of the Resolution Regarding District Budget for 2025-2026 be approved.

On roll call following the vote:

Ayes: Matarazzo, Jubert, Coyne, Contessa, Eagan, Kidney, Capone, Lamb

Noes: None

Recused: None

Abstained: None

Absent: Pascarella

BOARD PRESIDENT ASHLEY LAMB READ A PRESS RELEASE STATEMENT

After numerous attempts by the Toms River Regional Schools Board of Education and District leadership to finalize the FY 2026 budget, the Board has formally rejected the State Department of Education's directive to delay student programming and services, even as the district faces potential bankruptcy.

"We cannot and will not acquiesce to the State Department of Education's direction without severely undercutting an educational system that our taxpayers deserve," said Ashley Lamb, Board President. "Our district has already endured devastating cuts – we've lost over 250 teacher and staff positions and seen class sizes increase to critical levels. Enough is enough."

The Board's defiant stance comes in response to what they characterize as "illegal and immoral directives" issued by the state on June 23, 2025 and June 30, 2025, ordering the district to delay all programming and expenditures, including services for the district's most vulnerable students.

"To meet the DOE's demands, we would have to impose a 12.9% tax increase on top of last year's 9.3% increase – a cumulative 22.2% burden over two years," President Lamb explained. "This is unconscionable, especially when the state's own flawed funding formula has created this crisis by underfunding our district by \$107 million."

In a unanimous resolution passed by the Board, officials detailed how the state's "malfeasant application of the funding formula" has resulted in a cumulative loss of \$175 million in state aid for student programs. The resolution notes that Toms River Regional Schools is "THE lowest spending district in its category" among nearly 100 districts, demonstrating that the crisis stems from inadequate revenue, not excessive spending.

"While other districts received loans and state aid advancements, Toms River has been consistently denied such funding," President Lamb stated. "We've been forced to sell \$20 million in assets just to keep our doors open while providing what we can only describe as 'survival' education to our students."

The Board emphasized its commitment to fulfilling constitutional and federal obligations, including providing appropriate education to special education students and maintaining Extended School Year programs critical to many students' Individualized Education Programs.

"This Board has a fiduciary duty to our taxpayers and will not subject them to punitive tax increases created by the state's funding failures," President Lamb declared. "More importantly, we have an ethical obligation to our students. The state may order us to delay services, but we will continue to do what's right for kids."

As a final measure, the Board has authorized district officials to consult with bankruptcy attorneys and begin the process of filing for Chapter 9 federal bankruptcy protection – a move that would provide the district protection from creditors while developing a debt adjustment plan.

"We will continue to attempt to engage the DOE in finding a solution that best serves our community," President Lamb concluded. "But make no mistake – we will not abandon our students or compromise their education while the state refuses to address the crisis they created."

The resolution specifically directs the Superintendent, administration, and faculty to "continue to do all things necessary and proper to ensure that all students continue to receive an uninterrupted thorough and efficient education, and that all special education students continue to receive uninterrupted free and appropriate education."

BOARD ATTORNEY WILLIAM BURNS READ A JOINT STATEMENT ISSUED BY ALL ELECTED STATE OFFICIALS FROM DISTRICT 10 AND 9. DISTRICT #10: SENATOR HOLZAPFEL, ASSEMBLYMAN MCGUCKIN & ASSEMBLYMAN KANITRA, AND NJ LEGISLATIVE DISTRICT #9: SENATOR AMATO JR., ASSEMBLYMAN RUMPF & ASSEMBLYMAN MYHRE

The ongoing financial crisis facing Toms River Regional Schools is an unacceptable consequence of Governor Phil Murphy's disastrous school funding formula and the blatant disregard of our community's needs by the New Jersey Department of Education. Toms River has been gutted by over \$175 million in lost state aid — a devastating blow that has forced the elimination of more than 250 faculty and staff, skyrocketing class sizes, and the depletion of critical programs and services, including those for our most vulnerable special education students.

Let's be clear: this is not a spending problem. Toms River is one of the most efficient and fiscally responsible districts in the state. This is a revenue problem, created entirely by a deeply flawed and politically driven funding formula, implemented with zero transparency and even less accountability.

The unconscionable decision to impose the 6% cap on school aid increases has only worsened the financial crisis faced by impacted school districts which included denying Toms River Regional School District of more than \$4 million in desperately needed state aid to which it was rightfully entitled.

We stand with the Toms River Board of Education in rejecting any further attempts by the Murphy administration to force impossible tax increases on already overburdened

residents. Forcing a 22.2% cumulative tax hike over two years is nothing short of outrageous. Toms River taxpayers deserve better. Our students deserve better.

Governor Murphy must stop ignoring our district and start properly funding our schools. We will continue to fight to ensure every child in Toms River receives the thorough and efficient education guaranteed by our State Constitution — and we will hold the administration accountable for every step of the damage they have caused.

COMMENTS FROM GUESTS AND PRESS – AGENDA ITEMS ONLY *(limited to 5 minutes as per Board Policy # 0167 – Public Participation in Board Meetings)*

There were none.

MOTION TO ADJOURN

A motion was made by Mrs. Contessa, seconded by Mrs. Eagan and carried that the meeting be adjourned at 7:00 P.M.

All members present voting Aye.

Wendy L. Saxton, Board Secretary