

Budget and Finance Committee Notes
Thursday, January 7, 2010

Attending: Board Members Garrity, Liu and Wetmore; Administrators Duncan, Mikos and Petrizzo. Absent: Burke.

Exterior Doors, Frames and Hardware Replacement at Satz: Because this project involves egress, the state must approve the plans and materials. There will be a resolution on the BOE agenda authorizing our architect to submit the plans and specs to NJDOE for their final approval. The project will be funded from late arriving 2008-09 extraordinary state aid. That funding is not subject to “clawback” under Gov. Corzine’s recently announced school state aid reductions.

2009-10 Budget: Because we did not have any “excess surplus” at the end of fiscal year 2008-09, the announced cuts in current year state aid will not affect us.

2010-11 Budget:

Administrative requests have been submitted and reviewed. The budget “book” should be available to B&F committee members at our February committee meeting. (Note: the budget “book” constitutes confidential board work papers, not available to the public.) A known challenge in planning is the 25% increase in our State Employees Health Benefit Plan premiums which took effect on 1/1/10.

As always, we are faced with several unknowns in trying to plan:

1. State Aid – the state will not release this information until 3/17 at the earliest, only a month or so before the budget election. By comparison, that info was available by the third week of February in 2008. Also, given the state’s budget deficit, state aid may well be lower next year.

2. Budget Election – there is speculation the budget election may be eliminated, at least this year, for within-cap budgets. This would save \$13 million in election costs and give the new administration more time to develop budget and school aid figures.

3. “Adequacy” – The concept of an “adequacy” budget surfaced in 2008, but so far its implications for state aid remain unclear. According to this formula, our annual budget is about \$5 million above “adequacy.” Four factors contribute to this:

a. Senior staff – our average faculty pay exceeds the formula, but that reflects their above average length of service and academic attainment.

b. Transportation – the state assumes transportation costs should not exceed the transportation aid they provide. Our costs are higher because we provide “hazardous” busing for students who by law could walk to school but don’t because of the lack of sidewalks and crossing guards. The cost of sidewalks and crossing guards would be a Township expense. Prior analysis has found no benefit to taxpayers in trading hazardous busing costs for the expense of sidewalks and crossing guards.

c. Special Services – Because of the state’s concern that districts will over-identify the number of students needing special services in order to gain increased state aid, the state adequacy budget calculation assumes each district has no more than the state average number of classified students. We have more classified students than state average, and have confidence in the integrity of our identification process.

d. County School (e.g., High Tech, etc.) Tuitions– According to the state’s formula, there is no allowance for students who attend the Monmouth County magnet programs. We pay tuition (\$5,800) for each of the approximately 70 full time students who attend, but have no authority to limit their numbers.

4. Negotiations – in process now.

Other Matters:

Barbara Garrity reported on the “Race to the Top” Grant (hereinafter “RTTT”) presentation she attended with Mary Beth Currie (Assistant Superintendent for Curriculum and Instruction) and Cheryl Mitchell (HTEA VP) on Tuesday, Jan. 5, 2010 in Trenton. Education Commissioner Davy believes New Jersey has a good shot at \$200-400 million over the four year RTTT period. Half of the money would go to Title 1 districts according to allocation formulas currently in effect. The state would use the rest for several purposes, but chiefly to improve its data systems such that teachers and administrators could access student test results in real time, using them to tailor delivery of instruction and adjust curriculum as needed. The state would also provide training in the system’s use. RTTT would also make student growth a factor in teacher evaluation and tenure decisions. Commissioner Davy believes the more districts that agree to participate, the better our state’s chance of getting an RTTT grant award. The deadline for districts to elect to join is 1/14 (and for the state to apply for the grant is 1/19). The Memorandum of Understanding calls for the signatures of Superintendent, Board President and Union President. Barbara G. expressed her support for the RTTT’s focus on individual student achievement, and developing assessments driven by curriculum, but was concerned about the unfunded costs (staff time and cost of substitute teachers during training) for districts like ours. Barbara will share her report with the full board at the 1/13 meeting.

Next Meeting: TBD during week of Feb. 8

BRING YOUR CALENDAR TO 1/13 BOE MEETING FOR DATE SETTING!

Respectfully submitted,
Barbara Garrity