

DELAWARE TOWNSHIP BOARD OF EDUCATION

**MINUTES FOR SPECIAL MEETING
BUDGET WORK SESSION**

March 9, 2010

OUR MISSION STATEMENT

The Mission Statement of the Delaware Township School District is to prepare each student to become a productive, responsible member of society, able to adapt and change, by providing an environment that:

Creates a foundation for a self-motivated lifelong learner by providing relevant innovative, comprehensive Curricula;

Focuses on individual needs and promotes individual excellence by encouraging and enhancing the intellectual and social development of each student.

This environment will be realized through an active and responsive partnership that includes the students, parents, community, and staff.

I. STATEMENT OF NOTICE OF OPEN PUBLIC MEETING

Mrs. Ubry called the meeting to order at 7:35 PM and read the following statement:

As required by law, adequate notice of this meeting has been provided to *The Trenton Times* and *The Hunterdon Democrat* and is posted at the Delaware Township School and filed in the Board of Education Office with the School Administrator/Board Secretary.

II. FLAG SALUTE

Mrs. Ubry led the Pledge of Allegiance to the Flag.

III. ROLL CALL

Mr. Johnston recorded the roll call as follows:

MEMBERS OF THE BOARD	Present	Absent	Time of arrival after meeting called to order
Mr. Thomas Bruhl	X		
Mr. Scott Falk	X		
Mr. James Harkness	X		
Mrs. Catherine Mumford	X		
Mr. Joseph Pulkowski		X	
Mrs. Kathy Roethel	X		
Mrs. Lisa Thompson	X		
Mr. Lawrence Wohl	X		Arrived at 7:38 PM
Mrs. Linda Ubry	X		

IV. PUBLIC INPUT SESSION – 2010-2011 SCHOOL BUDGET

Mr. Johnston provided the following information for the Board and the audience:

- 1. Budget Process/Timeline** – the updated timeline was distributed to the Board and is filed in the Official Minutes Book.

2. **Tentative 2010-2011 Budget** – a detailed Tentative Budget was prepared by Mr. Johnston with inputs from the Administrative team, the County Office, and Department of Finance. Spending increases included:

Salaries	\$255,000
Benefits	220,000
Charter School	210,000 (including transportation)
Tuition – Out of District	<u>65,000</u>
TOTAL	\$750,000

Assuming a maximum 4% allowable local tax levy increase, the maximum allowable Budget increase would be \$240,000. This left a \$510,000 budget gap to fill assuming flat State Aid. Some options discussed with the Committee included:

a. Budget for only 8 projected Charter School students	(\$100,000)
b. Third bus tier to Hunterdon Central	(90,000)
c. Leave SHBP on 1/1/11 and join a Health Insurance Fund	(100,000)
d. Reduce Capital Outlay	(60,000)
e. Remove Out of District Tuition Contingency	<u>(40,000)</u>
TOTAL	(\$390,000)

If all of the previous options were approved, a \$120,000 shortfall would still exist. Additional options discussed were staffing cuts or taking advantage of an Automatic Cost Adjustment for increases in health care premium costs above four percent. This would allow the district to exceed the 4% local tax levy cap.

3. **A special meeting** was held with Mr. James Finn, the Administration, the Finance Committee, and two Municipal Officials to discuss the advantages and risks of leaving the State Health Benefits Plan and joining a Health Insurance Fund (HIF). The recommendation of the Committee was that the HIF would increase the liabilities to the District and should not be recommended at this time. The Budget shortfall was now up to \$220,000.
4. **An Automatic Cost Adjustment** for Health Care cost increases was estimated to be \$160,000 and is currently available in the software. If the Board chooses to use this adjustment, the Budget shortfall is \$60,000.
5. **2010-2011 State Aid Reduction of 15%** - The Commissioner has told all districts to plan for a 15% reduction in State Aid. This would leave the district with an additional shortfall of \$180,000. The Automatic Cost Adjustment for loss of State Aid is not currently available in the State budget software.

Dr. Wiener provided the Board and the audience the following summary:

BUDGET UPDATE - In Challenging Times

DTS State Funding Changes/Challenges

- 190k Charter School Tuition Expense (10-11)
- 20k Charter School Transportation Expense (10-11)
- 180k School Aid Reduction (10-11) - anticipated 15% reduction
- 138k School Aid Reduction (09-10)

As of February Board of Education Meeting:

What is in the 10-11 Budget:

- At or slightly Below the Allowable Cap
- Small Class Size (15-20)

- Existing Staff Projection
- Existing Student Program, Co-curricular, Extra Curricular
- Shared transportation with Hunterdon Central
- Shared Administrative Services
- Contractual Salary and Benefit Increases

What is out of the 10-11 Budget:

- .5 Administrator/Administrative Raises -38k/12k
- Capital Outlay - 150k
- Charter School Payment Appeal - 100k (8/16 Students -Projection)
- 1 Out of District tuition -40k
- 1 Additional Bus/Route -Contracted to HCRHS
- New Staff Request
- B Team Coaches

(Still 60k over allowable cap with 160k ACA/ flat state aide)

Public input on the budget was provided by several members of the audience. A few residents suggested increasing class sizes in some of the lower grades next year, specifically fourth grade and first grade, where there are currently less than forty students. This would eliminate the need for two homerooms. Another resident wanted the homerooms to be preserved, but suggested reducing the number of specials that are provided. She questioned the value added for some of the specials, and told the Board to focus more on the quality of the specials instead of the quantity. Another resident stated that a replacement teacher should not be hired for the second grade teacher that is retiring. It was also noted that in the community there are people losing their jobs and taking pay cuts, and that employees of the district should give up their salary increases to help the taxpayers. Finally, a recommendation was made that the Board send a letter to the Union asking them to agree to no salary increase for the next school year.

A motion was made by Mr. Falk and seconded by Mr. Wohl to approve the following:

RECOMMEND that Dr. Wiener approach the DTS Union representatives requesting a renegotiation of the Collective Bargaining Agreement for contracted salary increases in light of the fact that there is a financial crisis in the State of New Jersey.

MEMBERS OF THE BOARD	Yes	No	Abstain
Mr. Thomas Bruhl	X		
Mr. Scott Falk	X		
Mr. James Harkness			X
Mrs. Catherine Mumford	X		
Mr. Joseph Pulkowski			
Mrs. Kathy Roethel	X		
Mrs. Lisa Thompson	X		
Mr. Lawrence Wohl	X		
Mrs. Linda Ubry	X		

The motion carried with seven Ayes and one Abstention.

V. NJSBA RESOLUTIONS

A motion was made by Mr. Bruhl and seconded by Mrs. Thompson to approve the following:

RESOLUTION #1
Suspension of 2010 School Budget Elections

WHEREAS, on February 11, 2010, Governor Christopher Christie issued Executive Order 14, which froze current-year state aid payments in more than 500 local school districts, including Delaware Township School District; and

WHEREAS, Executive Order 14 sets out a process whereby affected school districts would use their excess surplus and portions of reserve accounts to make up for the loss of current-year aid, a strategy that will have an uncertain impact on next year's (2010-2011) school budgets; and

WHEREAS, local school districts have been advised of four possible scenarios concerning their 2010-2011 state aid allocations, adding to the uncertainty over future school finances; and

WHEREAS, the Governor's annual budget message, through which official state school aid amounts for 2010-2011 will be released, has been postponed until March 16; and

WHEREAS, local school boards must finalize proposed budgets for placement on the election ballot by April 3, a span of less than three weeks; and

WHEREAS, the lack of complete information about state school funding and the compressed budget timelines will pose a burden to local school districts in developing intelligent, responsible budgets; and

WHEREAS, the scheduling of the school budget referendums on April 20 precludes the allotment of additional time needed for budget development; and

WHEREAS, proposed school budgets are controlled by a tax-levy cap and undergo thorough review by the state's Executive County Superintendents, thereby ensuring efficient and responsible use of taxpayer funds; now therefore be it

RESOLVED, that the Delaware Township Board of Education urges Governor Christopher Christie and the state Legislature to take necessary action to suspend the 2010 school budget elections; and be it further

RESOLVED, that the Delaware Township Board of Education also urges state lawmakers to permit certification of school tax levies based on the budgets approved by local boards of education following the public hearings required pursuant to N.J.S.A. 18A: 22-10 et seq.; and be it further

RESOLVED, that the Delaware Township Board of Education also urges state lawmakers to adjust the school budget calendar to extend timelines for the budget development, hearing and adoption process, thereby enabling school districts to develop responsible budgets necessary to meet state and local education goals; and be it further

RESOLVED, that this resolution be sent to Governor Christopher Christie, Acting Commissioner of Education Bret Schundler, Senate President Stephen Sweeney, Assembly Speaker Sheila Oliver, state Senator Michael J. Doherty and Assembly Representatives John DiMaio and Erik Peterson; and be it further

RESOLVED, that a copy of this resolution be forwarded to the New Jersey School Boards Association.

RESOLUTION #2
Restoration of 2009-2010 State School Aid Cuts

WHEREAS, the Delaware Township School Board of Education recognizes that sound financial management is necessary to support the school program; and

WHEREAS, the Delaware Township School District bases its budget on academic goals, current needs and data collected through a long-range planning process; and

WHEREAS, the district's prudent expenditure practices have resulted in an excess surplus of \$66,087 during the current fiscal year; and

WHEREAS, current state law requires districts to apply these excess funds toward the 2010-2011 school budget in order to control local property taxes;

WHEREAS, through its policy of sound fiscal management, the Delaware Township School Board of Education has placed in reserve for the current school year \$279,956 to ensure that maintenance and facility repairs do not affect its financial stability; and

WHEREAS, under Executive Order 14, the Governor has frozen the Delaware Township School District's current-year state aid in an amount equal to its excess surplus and 25 percent of its capital reserve and other reserve accounts; and

WHEREAS, the aid cut unfairly targets the Delaware Township School District and others that accumulated additional surplus and/or put aside reserve funds as the result of sound financial practices; and

WHEREAS, by forcing the expenditure of these surplus funds in the current school year, the Delaware Township School District will not have them available to control next year's school property taxes; and

WHEREAS, replenishment of reserve accounts next year will divert limited resources from the classroom; and

WHEREAS, Executive Order 14 will have a negative impact on property taxpayers and the education program in the Delaware Township School District in 2010-2011. Therefore, be it

RESOLVED, that the Delaware Township Board of Education urges the state Legislature and the Governor to pursue other means to resolve the state's current-year budget gap without jeopardizing school programs or penalizing property taxpayers in the future; and be it further

RESOLVED, that such an alternative should leave in place school districts' excess surplus, as well as their capital reserves; and be it further

RESOLVED, that this resolution be sent to Governor Christopher Christie, Acting Commissioner of Education Bret Schundler, Senate President Stephen Sweeney, Assembly Speaker Sheila Oliver, state Senator Michael J. Doherty and Assembly Representatives John DiMaio and Erik Peterson; and be it further

RESOLVED, that a copy of this resolution be forwarded to the New Jersey School Boards Association.

MEMBERS OF THE BOARD	Yes	No	Abstain
Mr. Thomas Bruhl	X		
Mr. Scott Falk	X		
Mr. James Harkness	X		
Mrs. Catherine Mumford	X		
Mr. Joseph Pulkowski			
Mrs. Kathy Roethel	X		
Mrs. Lisa Thompson	X		
Mr. Lawrence Wohl	X		
Mrs. Linda Ubry	X		

The motion carried unanimously.

VI. ADJOURNMENT

A motion was made by Mrs. Mumford and seconded by Mrs. Roethel to adjourn the meeting at 8:55 PM.

The motion carried unanimously.

Gary P. Johnston, Board Secretary