

**MINUTES OF THE BOARD OF EDUCATION SPECIAL MEETING AND PUBLIC HEARING ON 2010-2011 BUDGET ON MARCH 25, 2010 7:30 p.m.**

**The Board of Education of the East Windsor Regional School District held a Special Meeting and 2010-2011 Budget Presentation on Thursday, MARCH 25, 2010 at 7:30 p.m. in the Hightstown High School Cafeteria, located at 25 Leshin Lane, Hightstown, NJ.**

**1. WELCOME**

Board President Alice Weisman called the meeting to order at 7:30 p.m. and read the Open Public Meeting Act Statement as follows:

“Written advance notice of this meeting has been given in accordance with law. Minutes of this meeting are being kept by the Board Secretary and will be made available promptly to any member of the public requesting them from the Board Secretary at the Administration building 25A Leshin Lane, Hightstown, NJ. Minutes will be provided at cost and in accordance with Board policy.”

Ms. Weisman asked “Are there any Board members present who believe this meeting to be in violation of the Open Public Meeting Act?” No one objected. “There being none, we may proceed.”

Members Present: Paul Connolly, Stu Dolgon, Bruce Ettman, Suzann Fallon, Bonnie Fayer, Bob Laverty, Susan Lloyd, Kennedy Paul and Alice Weisman

Members Absent: None

Also Present: Michael Dzwonar, Interim Superintendent  
Kurt Stumbaugh, Business Administrator/Board Secretary  
David Coates, Board legal counsel

Fire Code Compliance: Ms. Weisman made the following announcement: “In compliance with the fire code of the State of New Jersey, I call your attention to the emergency exit for this room, which is located.....” (Ms. Weisman pointed to the emergency exit.)

**2. PLEDGE OF ALLEGIANCE**

**3. A APPROVAL OF AGENDA**

Mr. Laverty moved seconded by Ms. Fayer, to approve the agenda.  
On a roll call vote of the Board, Motion to approve was carried unanimously.

**3. B RESOLUTION FOR CLOSED SESSION**

Mr. Laverty moved, seconded by Ms. Fayer to approve the following resolution:

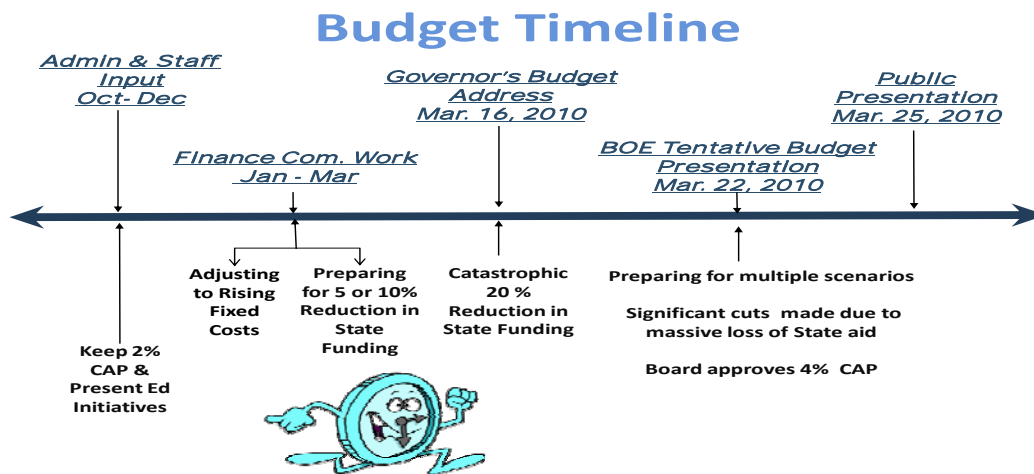
**BE IT RESOLVED**, that the Board of Education of the East Windsor Regional School District will hold a closed session during its special meeting on March 25, 2010. This closed session concerns: Personnel matters, Litigation, Contract matters, and Attorney /Client Privilege.

Minutes will be available in accordance with Board policy when the need for confidentiality no longer exists.  
On a roll call vote of the Board, Motion to approve was carried unanimously.

**ITEM 4. PUBLIC PRESENTATION ON PROPOSED 2010-2011 BUDGET**

Michael Dzwonar, Interim Superintendent gave a detailed presentation of the 2010-11 Budget to the Board and community members in attendance, using a power point presentation that was also distributed to the attendees.

**POWERPOINT PRESENTATION:**



**Why in 2010-11 will we be unable to implement a budget that maintains the district educational initiatives within the boundary of 2% Cap as was done in prior years?**

**Rising Expenditures**

1. Fixed costs increase \$2,900,000



**Decreasing Revenues**

2. Reduction in State Aid of \$4,148,000 from prior year.



## What is CAP?

- A tax levy budget cap can best be defined as the maximum amount that the tax levy can be increased without applying for any waivers.
- The State of New Jersey has determined that 4.0 % is the most that taxes can be raised in any school district in the state.
- The 4.0 % increase is not on the total budget but only on the amount collected from taxes.

## General Fund Tax Levy If EWRSD Implemented at 4 % Cap (3 years)

	Tax Levy	Amount of Change	% of Change
2007-2008	\$ 52,632,787.00		
2008-2009	\$ 54,738,098.48	\$ 2,105,311.48	4.00%
2009-2010	\$ 56,927,622.42	\$ 2,189,523.94	4.00%
2010-2011	\$ 59,204,727.32	\$ 2,277,104.90	4.00%

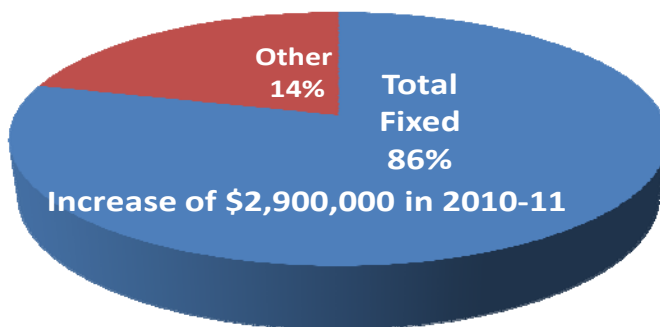
12.49%

## EWRSD Actual General Fund Tax Levy (4 Year History) Split Net

	Tax Levy	Amount of Change	% of Change
2007-2008	\$52,632,787.00		
2008-2009	\$53,296,126.00	\$663,339.00	1.26%
2009-2010	\$54,169,471.00	\$873,345.00	1.64%
2010-2011	\$55,165,861.00	?	

4.81%

### Fixed vs. Other Costs



**FIXED COSTS:** Salaries, Benefits, Pensions, Insurance

**OTHER COSTS:** Textbooks, Supplies, Instructional Resources, Software

## Decreasing Revenues March 17, 2010



**EWRSD State Aid Will Be Cut By  
\$ 4,148,000**

## Impact of State Aid Cuts On Revenue

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IF FLAT STATE AID	\$ 19,489,362
ACTUAL STATE AID	\$ 15,590,444
Loss of	\$ 3,898,918
Additional State	
Capital Deduction	\$ 249,469
	\$ 4,148,387

### Revenues from State Sources

	2009-10 Revised	2010-11 Anticipated
<b>Other State Aids</b>		
Categorical Special Aid	\$ 2,696,102	\$ 1,561,118
Equalization Aid	\$ 14,261,909	\$ 14,029,326
Categorical Security Aid	\$ 589,045	0
Categorical Transportation Aid	\$ 1,942,306	0
		0
<b>Totals</b>	\$ 19,489,362	\$ 15,590,444

### Budgetary Dilemma

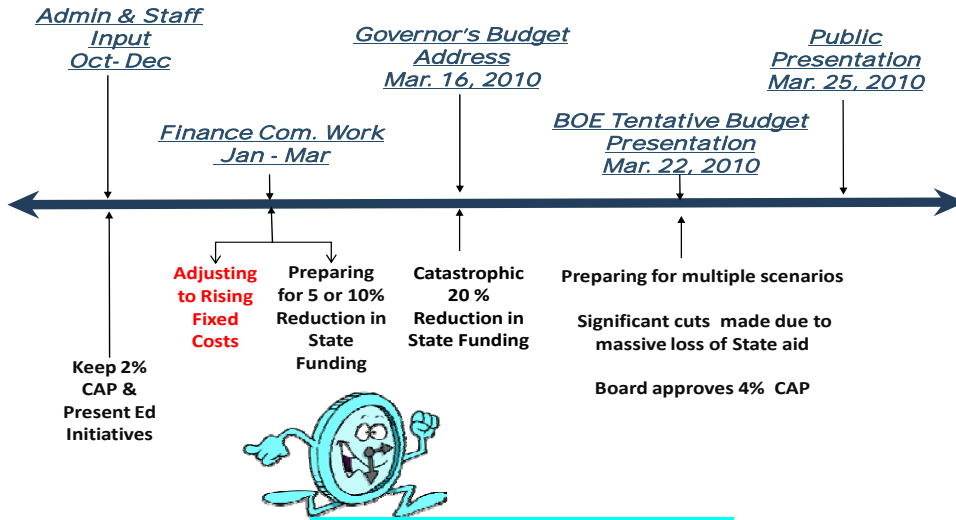
Fixed / New Costs Increase	2,900,000
State Aid Reduction	4,148,000

*Balancing Expenditures and Revenues  
Necessitated \$ 7,048,000 adjustment*

*How did we balance 2010-11 budget?*

*Cut 4.8 million in expenditures*  
*Raise 2.2 million local tax revenues*

# Reductions Due to Cut in State Aid



## Pre-Planning for 1.9 M reductions during budget process due to rising fixed costs

Suspend 80% of Text Book Adoption

Technology Cuts (Educational Software, Obsolescence, Negotiations)

20% Reduction Supply Accounts

Substitute Teachers

Staff Development during day

Cut Capital Projects



## Further Reduction Considerations

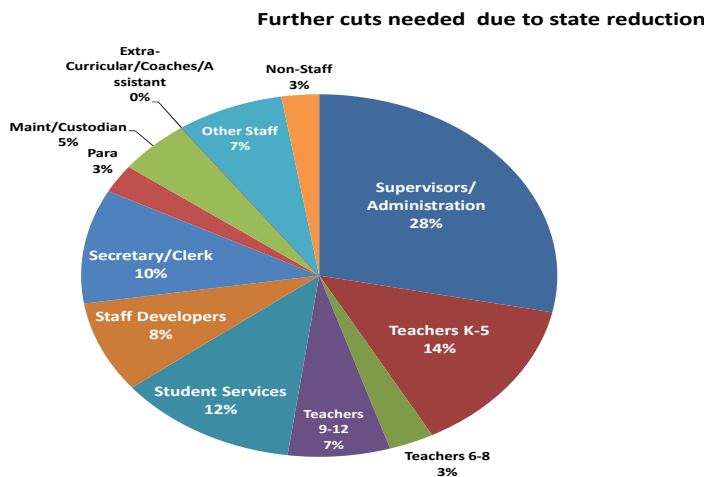
### Staffing Positions

- Administration / Supervision
- Teachers K - 12 (While preserving class size)
- Para Professionals
- Clerks
- Secretaries
- Maintenance/ Custodial
- Security

### Extra Positions

- Sports
  - Intramurals
  - Summer School
  - Saturday Academy
  - Extra Curricular Activities
- OTHER**
- Pool
  - Buildings

Further Cuts needed due to State Reduction		Total \$ amt	% of cuts
Supervisors/Administration	6	\$ 834,000	21.2%
Teachers K-5	6	\$ 410,000	10.4%
Teachers 6-8	1.5	\$ 90,000	2.3%
Teachers 9-12	3	\$ 205,000	5.2%
Student Services	3	\$ 362,402	9.2%
Staff Developers	2	\$ 240,000	6.1%
Secretary/Clerk	6	\$ 300,000	7.6%
Para	3	\$ 75,000	1.9%
Maint/Custodian	3	\$ 146,000	3.7%
Extra-Curricular/Coaches/Assistant	0	\$ -	0.0%
Other Staff	3	\$ 215,000	6.9%
Non-Staff	0	\$ 75,000	1.9%
	<b>37</b>	<b>\$ 2,952,402</b>	<b>100%</b>



### Educational Impact of State Aid Reduction 4% CAP

- **Mandatory Redistricting Elementary to reduce administration and maintain current class sizes**
- **Eliminating Humanities Co-teaching model (keeping 2 teachers for 21<sup>st</sup> Century Init)**
- **Reduction of Supervisors / Admin**
- **Consolidating Special Education Programs**
- **Eliminate Staff Developers**
- **Consolidating Community Services / Registration**
- **Reduction in Library Services (HS / ELEM)**
- **Eliminating Saturday Academy**
- **World Language taught by gen ed. teachers in elementary school using video / software (Waiver required)**
- **Eliminating Summer School in MS & HS**

**A Budget Defeat By Voters Could Result In  
Additional Budget Cut Considerations**

- End grade 6 exploratory World Language Program
- Further Reduction of Admin / Para Professionals / Teachers
- Close Elementary Buildings 2 Nights per week
- Close High School Pool
- Significantly Reduce HS / MS Activities / Scrimmages / Intramurals
- Consolidation of Special Education Services
- Reduce Security Middle & School High School

**East Windsor Regional School District  
Summary of 2010-11  
General Fund Budget**

<b>Revenues</b>	
<b>Local Tax levy</b>	<b>\$56,804,450</b>
<b>State Aid</b>	<b>\$15,628,024</b>
<b>Fund Balance</b>	<b>\$500,000</b>
<b>Tuition</b>	<b>638,760</b>
<b>Misc</b>	<b>237,821</b>
 <b>Total</b>	 <b>\$73,809,055</b>
 <b>Appropriations</b>	 <b>\$73,809,055</b>

**Budget Summary (Expenditures)**

	Net of Encum 2009-2010	Appropriations 2010-2011
Regular Instruction	22,637,866	21,492,055
Special Instruction	5,049,972	5,447,729
Basic Skills	637,081	662,595
Bilingual Instruction	1,364,947	1,553,406
Co-curricular and Athletics	1,117,570	1,160,887
Out of District Placements	4,035,732	3,717,579
Attendance & Health Services	651,864	683,845
Guidance, Support and Related Services	4,954,648	4,638,554
Curriculum and Staff Development	460,385	261,347
Media Services	1,828,553	1,690,167
General Adm., School Adm., and Central Services	5,352,340	4,725,132
Operation, Maintenance, Utilities	7,493,249	7,776,170
Student Transportation	3,097,171	3,061,642
Employee Benefits	15,718,742	16,050,875
<b>Total</b>	<b>74,417,805</b>	<b>72,944,364</b>
 Capital Outlay Total	 3,507,902	 845,024
Special Schools	146,346	19,667
<b>Total Operating Budget</b>	<b>78,072,053</b>	<b>73,809,055</b>
 Grants and Entitlements	 1,449,718	 1,436,571
Repayment of Debt	3,679,670	3,652,264
<b>Total</b>	<b>\$ 83,201,441</b>	<b>78,897,890</b>

## Per Pupil Cost Calculations

	<b>2009-10 Revised Budget</b>	<b>2010-11 Propose d Budget</b>		<b>% of change</b>
<b>Per Pupil Cost Calculations:</b>				
Total Comparative Per Pupil Cost	13,310	12,827	-483	-3.6%
Total Classroom Instruction	7,844	7,628	-216	-2.8%
Classroom-Salaries and Benefits	7,264	7,324	60	0.8%
Classroom - General Supplies and Textbooks	482	244	-238	-49.4%
Classroom- Purchased Service and Other	98	60	-38	-38.8%
Total Support Services	1,994	1,857	-137	-6.9%
Support Services - Salaries and Benefits	1,744	1,647	-97	-5.6%
Total Administrative Costs	1,309	1,107	-202	-15.4%
Administration - Salaries and Benefits	1,106	934	-172	-15.6%
Legal Costs	40	39	-1	-2.5%
Total Operations and Maintenance of Plant	1,723	1,795	72	4.2%
Operations & Maintenance of Plant - Salary and Benefits	936	1,017	81	8.7%
Total Food Service Costs	0	0	0	
Total Extracurricular Costs	282	294	12	4.3%
Total Equipment Costs	116	0	-116	-100.0%
Employee Benefits as a % of Salaries	34.9	36.3	1	4.0%

## Home Owner East Windsor Tax Year 2009 vs. 2010

Tax Year	Average Home Assessed Value	x	Tax Rate Per 100	=	Total School Tax to be Paid	Increase From Prior Year
2009	\$133,577	x	3.47	=	\$4,635	
2010	\$263,993	x	1.77	=	\$4,673	\$38

## Home Owner Hightstown Tax Year 2009 vs. 2010

Tax Year	Average Home Assessed Value	x	Tax Rate Per 100	=	Total School Tax to be Paid	Increase From Prior Year
2009	\$270,538	x	1.65	=	\$4,464	
2010	\$269,637	x	1.73	=	\$4,664	\$200



## Formula to Calc Tax

Assessed Value of Home	Divided by	100	Multiply by	Tax rate	=	School tax
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	Tax Rate
East Windsor	1.7700
Hightstown	1.7299

Ms. Weisman commended Mr. Dzwonar on his excellent job presenting and explaining the Budget details. She confirmed the day for the budget vote and school board election is April 20<sup>th</sup>, 2010.

### 5. COMMENTS AND QUESTIONS ON BUDGET PRESENTATION

Ms. Weisman welcomed the public to come to the front and state their comments and questions.

Fran Finklestein, East Windsor asked Mr. Dzwonar to explain what is meant by the consolidation of registration and community services department. Mr. Dzwonar responded that several options are being considered, one of them is to bring it back to central office and possibly bringing registration back to schools, but no decision has been made yet.

Anthony Catana, of East Windsor asked how much of the 2.9 fixed cost increase is due to the salary and benefit increase in the contract. Mr. Dzwonar responded 1.7 million for salaries, 2.3 million total for salary and benefits. Mr. Catana commented why in this economy we would agree to a 4% increase, and that we should have negotiated a 4% decrease.

Mr. Dolgon mentioned we are actually approaching the end of the first year of this EWEA contract as it was signed and tentatively agreed upon in June of last year.

Rob Thibault, of Hightstown asked several questions and had several comments regarding tax levy numbers and how they apply to last year's audit numbers. It appears the tax levy would be higher based on the audit report.

Mr. Stumbaugh, SBA, commented that we have to look at both numbers to see which were recorded for purposes of budget development and assured that the numbers presented tonight are the actual amounts that we will certify to the local tax collectors to be raised for school district purposes. He explained the only revenue that is raised by taxation that will be voted on is the District operating fund.

Mr. Thibault commented that due to the teacher's union not agreeing to a freeze they are forcing their own to lose jobs. He quoted numbers that reflected vast increases in teachers' salaries that have caused our taxes to increase. Also that 82 % of our teachers live in towns that have much lower school taxes.

Eugene Sarafin, of Hightstown commented that he read in the newspaper that the governor is balancing the budget on the middle class. To say we can't fund education is ridiculous. Feels that students are paying the price. Education is our future. The Governor and other legislatives are playing games with our property taxes. We should be picking on the local and state government officials. Residents pay more in property tax than income tax. Property tax is inequitable. Voiced support for the Board and the District.

Stephanie Miller of East Windsor had a proposal for when we redistrict. Suggested that we change Kindergarten from 5 half day programs to two full day and one half day program. This would save on bus runs in the middle of the day. Have the days clustered around neighborhoods. Hopes the Board would consider this.

Tony Catana of East Windsor commented that we pay a lot of taxes in this State. The mentality is to start the budget at one amount and increase from there. We should not be raising the numbers in this bad economy.

Sandra Trenholm of East Windsor commented that we have the best teachers. Suggested that the District should pursue more national grants that are available and look into alternatives for the funding of supplies and staff development. Encourages better communication with the parents in how we can better support the District.

Carolina Jablonski of Hightstown commented that teachers pay out of their own pocket for supplies. The District gives them a minimal amount of money each year and they have to supplement this amount to buy what they need to enhance their classroom instruction. Voiced strong support for our teachers and for the District.

Kathy Knauer of East Windsor supports the teachers and the administration, but the reality is the economy is very bad. The Board is in a really difficult situation and we have to look at things realistically. Many of us have lost jobs, not gotten pay increases and pay for their own health benefits. We have to accept what we have to do and we should welcome creative thoughts on how to deal with it.

Rob Thibault, Hightstown commented that he too feels we do have good teachers. But, it puzzles him why the teachers would make a decision to hurt the education of our students. Teachers are buying supplies out of their own money. Spending for supplies has fallen 50 %. Taxpayers have given as much as we can. 300 homes in East Windsor and in Hightstown are in foreclosure. We just can't afford it. Asks teachers to do the right thing and forgo the 4% salary increase.

Jeremy Katz of Hightstown is a senior at the High School. Sees a lot of animosity and wants to note that he has had great teachers and has had a great experience. Wants to make it known that students will suffer. Reducing programs will make student performance go down and this will make it less of an incentive to perform at their best.

Stephanie Miller of East Windsor commented that her kids have attended nine different school districts. All but the three NJ districts charged a textbook fee. Prefers paying a fee for textbooks to a tax increase.

Ms. Weisman closed the hearing on the budget at this time.

## **6. APPROVAL OF 2010-2011 BUDGET**

After the public hearing on the proposed budget for the 2010 – 2011 school year separate Board action is required to submit the budget to the voters for approval.

Mr. Lavery: I recommend that the Board approve the attached 2010-2011 Budget and authorize the Chief School Administrator and the School Business Administrator to submit to the Mercer County Superintendent of Schools the attached Budget which includes:

Total Operating Budget of \$73,809,055 and a  
Local Operating Budget Tax Levy of \$56,804,450,  
Total Grants and Entitlements Fund Budget of \$1,436,571  
Total Repayment of Debt Fund Budget of \$3,652,264 and a  
Repayment of Debt Fund Tax Levy of \$3,498,316.

**Resolved**, that there should be raised for Operating Budget \$56,804,450 for the ensuing school year 2010-2011.

**DISCUSSION:**

Mr. Dolgon commented that we are providing facts and information to assist voters with making an informed voting decision on April 20th. He implores the public if have any questions about the budget, and how it compares to other district to speak to the administrators or go the NJDOE website which has a wealth of information. It is best to be well informed. People often denigrate the district without the facts. We do not get paid for what we do and this Board works tirelessly and consider as our priority the education of the children.

Mr. Dolgon, who is stepping down from the Board as his term will be ending, took the opportunity to thank the current and previous administrators he worked with for their excellent help and guidance. He commended the Bolandi administration which has improved this District by leaps and bounds. He also thanked the previous Board members he had the pleasure to work with, and expressed his sincere gratitude individually to each of the current Board members he is leaving behind and wished them well.

Mr. Ettman commented that the State's funding of public schools is unique in its complexity and stupidity. It puts the onus on each municipality and each municipality is not the same. They have different sizes, affluence, ratable basis. To be fair we need equalized tax rates. Our record over the last four years has kept taxes very stable. We have found and deployed savings and efficiencies while increasing student performance. The School Board does not levy taxes. The budget deserves to be supported.

Ms. Weisman commented that school budgets are the only budgets voted on in NJ. There is misplaced anger that votes down the budget. This only hurts the students.

Mr. Connolly encourages all to get involved.

Mr. Lavery supported Ms. Weisman's and Mr. Ettman's comments. Voting against the Board and the Budget is not a vote against the Associations or Board members. They will not be hurt. But further cuts will have to be made if the budget fails. This will hurt the students and District.

Mr. Paul commented when he joined the Board 5 years ago the public was angered over student performance and building program failures. We have definitely improved the District and hopes the community supports us.

Ms Fallon commented that the Board does listen and does consider all public comments.

Mr. Dolgon commented that the District operating budget is going down 4 million, and gave an explanation of the process if the budget is defeated.

**ACTION: TO APPROVE 2010-2011 BUDGET**

Mr. Lavery moved seconded by Ms. Fayer to approve the 2011-11 budget as submitted.

On a roll call vote of the Board, motion to approve e was carried unanimously

7. EXECUTIVE SESSION
8. OPEN SESSION
9. ADJOURN

Ms Fayer moved to adjourn at 10:30 pm.

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**Kurt Stumbaugh, Board Secretary**