

Budget and Finance Committee Notes
Monday, January 24, 2011

Attending: Board Members Collins, Garrity, Pascucci and Sockol; Administrators Duncan, Mikos, and Petrizzo.

1. **2011-12 Budget Update:** The first NJ budget software download has been received, but does not include state aid figures. Normally, they are due by late February, but weren't provided to districts last year until March 17 or barely a month before the budget election. We have been advised by the county office to plan for a reduction in state aid equal to the new federal Education Jobs Act funding of \$97K, a 24.6% cut. Regarding the new federal Education Jobs Act funding, the district plans on using the \$97K to pay a portion of our health insurance costs. With our HTEA contract about to be ratified, we will also be able to plan with definite salary figures for the vast majority of our staff for the first time in two years.

2. **Retro Payment Status:** Assuming the HTEA contract and salary guides are approved at our January 26 Board meeting, our plan is to pay the retroactive base salary increases as part of the January 28 payroll. This would be by separate check, with no interest. Final payment for non-base salary items should be made on February 15 or 28. (Post meeting note: Snow forced the cancellation of the January 26 Board meeting. The meeting has been rescheduled for February 2, 2011. Accordingly, upon ratification, a separate retro check will be processed on February 3rd.)

3. **Middlesex Regional Educational Services Commission (MRESC) Competitive Pricing System:** We have been invited to participate in this new volume discount purchasing system. This will provide another price point, in addition to the other joint-purchasing programs we currently use. The committee commends our administration's continued efforts to stretch the purchasing power of our budget dollars.

4. **Facility Use/Closings:** The committee discussed the budgetary implications of our current practice of permitting recreational facility use at heavily subsidized rates. In light of the 2% tax levy cap, and budget-defeat-required cuts in the overtime budget, the committee questions to what degree the district can afford to continue to subsidize recreational facility use. Keeping facilities open on weekends means paying time-and-a-half overtime wages on Saturday and double-time on Sunday. Viewed from a budgetary perspective, the fees currently in effect cover only about 10% of the actual cost of non-school, recreational use. The remaining unpaid cost absorbs resources that would otherwise be used for our core mission, educating students. Further discussion is needed.

5. **Old Business:** Cost Cut/Income-Generation Possibilities

-Pay-to-Participate – This proposal has drawn a mixed committee response. On the one hand, establishing modest user fees to pay, say, 25% of after-school athletics and activities cost would ease the burden on taxpayers. On the other hand, we don't want to discourage student participation in these activities, and the fees would fall solely on Satz and HHS families. The program would also need to be simple to administer so the personnel cost is minimal. Our discussion continues.

-Regular Education Tuition Students – The committee continued to discuss this option. Rumson-Fair Haven already takes tuition-paying students. The program is different from the School Choice program in that the district has the right to choose whom to accept, and to specify the services it will provide. Until a tuition-paying student program is piloted, it is impossible to gauge its income potential.

-Subscription "Courtesy" Busing – State law requires us to bus students who live more than 2 miles from their elementary school or more than 2.5 miles from their secondary school. All other busing is considered "courtesy" busing. The cost to the district for courtesy busing is \$380K per year. Converting courtesy busing to a subscription service has been done in other districts. Pricing is a challenge because the cost per rider is unclear until the number of subscribers is known.

Next Meetings: Wednesday, February 16, 2011, 5:30 PM
Monday, March 7, 2011, 5:30 PM

Respectfully submitted,
Barbara Garrity