

**WEST WINDSOR-PLAINSBORO REGIONAL SCHOOL DISTRICT  
BOARD FINANCE COMMITTEE MINUTES**



<u>BOE Committee:</u>	<u>Administration:</u>	<u>Guest/Public:</u>
Anthony Fleres (Chair)	Victoria Kniewel	Rick Cave
John Farrell	Larry Shanok	Linda Geevers
Hemant Marathe	Lawrence LoCastro	Byron Maher

**February 21, 2012**

The meeting was called to order at 6:46 PM at Central Office in the superintendent's office. Topics covered included:

Review Agenda Items: items appear supportable.

Refresh Projects: Rick Cave described the benefits of the process that has been followed since 2004; it has served to assist in technology's contribution to improving instruction and learning throughout the district. He discussed a prioritized list of projects, ranging from the updating of about 10% of the oldest and least functional computers (these machines tend to be nine and ten years old and rather unsuitable to the requirements of current software), substitutes for aged and increasingly un-repairable classroom monitors, to projects focus on strengthening the wireless system, as well as projects replacing ten year old switches. As in the past committee discussion covered how we assess what should be done, comparisons to other highly functioning districts and providing effective computer functionality uniformly to students.

Budget Transfers: Resolutions and associated documents utilized by Princeton and Hopewell Valley districts were examined. WWP's procedures meet or exceed those of these two high performing districts. That the district meets the requirements is also seen from the lack of difficulties from either the annual audit process or the NJQSAC process.

Extended Benefits Determinations (Unemployment Compensation): There appears to be a new development in unemployment compensation issues. Originally, many former employees, starting in July 2010 collected up to 26 weeks of regular unemployment compensation. There was a question about district liability for the Extended Unemployment Compensation (EUC) that could extend benefits for up to 99 weeks; Department of Labor documents indicated that EUC was 100% federally funded and that proved to be the case.

January/February 2012 has seen the district in receipt of dozens of Extended Benefit (EB) determinations from the state. In these the State of New Jersey asserts that the district will be financially liable for up to 20 additional weeks of unemployment compensation. To date over \$350,000 of such determinations have been given to the district. The Department of Labor's own handbook states that employers are 50% liable (not 100%). The district has engaged its attorney to help resolve this difference.

Bond Refunding: Over the past ten years, the district has floated six bond issues for over \$100 million; over \$79 million was in four refunding bond issues, saving the district money. In September 2012, about \$22 million of bonds are callable. There is a long, involved process in New Jersey and the district is starting it for these bonds. Should current financial conditions continue as they are today, 12 month savings of over \$200,000 each year for about eight years can be attained. The district continues to utilize the bond counsel and financial advisor that served in the past six bond issues (and they served before those too). They have served the district well. The first of the necessary resolutions will come forward for action in March.

2012-2013 Budget Progress: The committee has been working on the budget since last Fall and the work culminated in discussions at the BOE Retreat on January 17<sup>th</sup>. The consensus reached through that process is embodied in the current version of the budget. A budget must be submitted to the Executive County Superintendent no later than March 5<sup>th</sup>; such a budget must have BOE approval. Thus the budget will be approved for submission to the County at the February 28<sup>th</sup> BOE meeting. The budget reflects a 1.89%

budget to budget increase and a flat (slightly lower) total tax levy. The tax levy complies with all cap law provisions.

Through the years the district has used a straight forward budget metric to gauge its effectiveness: the actual per pupil cost figures developed by the Department of education to be used with cross district comparisons. Historically, these show the district moved from spending on par with Lawrence, Hopewell Valley, and Princeton in 2002-03 (and about \$336 per pupil over the state average). Over years of prudent financial management, the per pupil costs are now thousands less than those districts (and \$1,241 below the state average) for the last year of available data.

We know that the district educational performance is well above average (as documented in BOE presentations through the years and available on the district website) and its costs average or below average.

As good as that record is, some year for additional comparisons. Every outside organization chooses comparisons that they prefer. How do we stack up to some of those?

Some believe (though the data does not support the hypothesis) that larger districts have an advantage in their size. The State of New Jersey aggregates 106 of the largest districts together for their purposes. In this grouping, WWP is 36. In other words, 35 have lower costs and 80 have higher costs than WWP. These rankings are devoid of a quality dimension and are wholly based on costs.

Some point to the list of high performing districts cited by Montgomery Township School District. Within the 24 high performing districts listed, eight have per pupil costs lower than WWP and fifteen have higher per pupil costs.

Another indicator can be seen based on the Inside-New Jersey magazine quality ratings. This magazine selects, by their criteria, the ten best high schools in each DFG category. WWP schools are #1 and #3 in the "J" DFG category; four of the other schools have per pupil costs higher than WWP and four have lower. The lowest is \$924 lower than WWP, a relatively small amount. The highest is \$6,372 above the WWP figure, a relatively large amount. The ten schools in the "I" category all have a cost per pupil above WWP's.

Administration & Facility Committee/Capital Reserve Request and Capital Projects: The facility committee is leaning toward more capital projects than can be supported by the proposed \$1.5 million capital budget. Might more projects be supported through use of capital reserve? The finance committee can envision additional projects, ones of high priority, being supported by capital reserve dollars. The architect has just updated the cost estimates of the projects, complicating the district's choices. A selection will have to be included in the budget submitted to the county in early March.

Other Business. The WWPEA has submitted a grant proposal for student and parent activities associated with Chinese language. The grant would be from the NJEA to the district and is almost ten thousand dollars. If time were not a factor, it would be noted at a Curriculum Committee meeting prior to appearing on a BOE agenda. However, the WWPEA has a near deadline from the NJEA and it is being noted here so as to be included in the upcoming BOE agenda.

The meeting adjourned at 9:00P.M.

**NEXT MEETING: Tuesday, March 20, 2012, 6:30 PM @ Central Office**

Topic for Next Meeting

Review Agenda Items  
2012-2013 Budget  
Refunding  
Refresh  
Reschedule May meetings

Future Topics:

Impact of Recent Legislation  
Policies