

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



<u>BOE Committee:</u> Louisa Ho (Chair) Scott Powell	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u>
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January 19, 2016

The meeting was called to order at 6:40 PM at the Central Office. Committee Member Zhong was absent. Topics covered included:

Review Agenda Items: The finance agenda was reviewed and the committee supports approval of the agenda. There was a lively discussion about the associated financial documents; the give and take provided added benefit to the later consideration/discussion of the 2016-2017 budget process.

ASBO Meritorious Budget Award/Certificate of Excellence in Financial Reporting: In December, the district was able to submit new applications for the two ASBO International evaluation processes. It is a worthwhile examination from an arm's length perspective by experienced school district professionals. The district was only the second New Jersey school district to earn the MBA designation, while fewer than 30 districts received the CEFR designation.

While the application fee in each case is a modest one, the New Jersey Association of School Business Officials has indicated that they will reimburse the district for the application fees again this year. The district will benefit from the critiques at no net cost to the district.

Potential Committee Meeting Dates: The committee settled on the future meeting dates.

2016-2017 Budget Progress: The first public discussion of the 2016-2017 budget will occur at the January 26th Board of Education meeting. It has been traditional to start the discussion early in the calendar year as to maximize the public's opportunity to gain exposure to budget considerations. Since it is early in the budget cycle, the presentation will cover topics similar to those of a year ago as well as some topics from the recent Board of Education retreat.

Discussion centered on some of the most challenging aspects of the budget decision-making process. The need for maintaining the building infrastructure of the district suggests that increasing the capital outlay portion of the budget to the three million dollar level is a good idea. However, this level is not sufficient to maintain the district so continued use of capital reserve is necessary.

Health premiums are a large unknown with there being no credible source of a good estimate of the January 2017 premium increases to be incorporated into the budget. The last few years has seen double digit increases in premiums that involve children. The January 2016 employee/child medical premiums increased 11.3% while family increased 9.0 %; the January 2015 increase was 15.1% for employee/child and 12.6% for family premiums.

Special education tuition and transportation costs have been increasing at a fast rate. Total tuition fees incurred by the district will exceed eight million dollars this school year. The recently released 2016-2017 tuition rates include some large increases at schools utilized by the district. This includes a 9.3% increase at The Eden School; an 8.9% increase at The Center School; and an 11.1% increase at the Rock Brook School. Contracted special education bus routes total nearly three million dollars for 2015-2016; this is an 11.2% increase over 2014-2015 – which was a 9.9% increase over 2013-2014 costs.

The district has not gone to the maximum allowed tax levy in the past three years. Just over a half million dollars is “banked” under the present cap rules; most of this will expire if not utilized in the 2016-2017 budget (as banked cap expires if not used within a three year period).

The district continues to develop specific construction projects for the budget process as well as detailed staffing plans. These will be the focus of future discussions as they are developed.

Edvocate’s December Inspection: The December inspection by Edvocate found overall results to be good, but slightly below the results of a year ago: an average of 80 versus an 82 a year ago. Above 80 is judged to be above average. Five schools scored at 80 or above while no school scored below 75. As is often the case, Town Center scored the highest among the ten schools.

The grounds inspection was especially solid: the four middle/high school grounds averaged a score of 91 versus a score of 84 at this time a year ago.

The meeting adjourned at 8:42P.M.

NEXT MEETING: Tuesday, February 9, 2016, 7:30 PM @ Central Office

Topic for Next Meeting
Review Agenda Items
2016-2017 Budget

Future Topics:
Impact of Recent Legislation
Policies
Transportation