

**BOARD OF EDUCATION
RETREAT MEETING MINUTES
November 20, 2013**

The meeting of the West Windsor-Plainsboro Board of Education was called to order by President Hemant Marathe at 6:02 p.m. in the media center at High School North. The following board members were present:

Ms. Rachelle Feldman Hurwitz	Ms. Michele Kaish	Mr. Alapakkam Manikandan
Mr. Anthony Fleres	Mr. Richard Kaye	Mr. Hemant Marathe
Ms. Louisa Ho	Ms. Dana Krug	

The ninth Board of Education position is currently vacant. Present also were: Dr. David Aderhold, Superintendent; Mr. Larry Shanok, Assistant Superintendent for Finance/Board Secretary; Mr. Martin Smith, Assistant Superintendent, Curriculum & Instruction; and Mr. Gerard Dalton, Assistant Superintendent for Pupil Services/Planning. Guests attending were: Scott Powell and Taylor Zhong.

CONVENE

In accordance with the State's Sunshine Law, adequate notice of this meeting was provided by mailing a notice of the time, date, location and, to the extent known, the agenda of this meeting to the PRINCETON PACKET, THE TIMES, THE TRENTONIAN, THE HOME NEWS TRIBUNE, AND WEST WINDSOR and PLAINSBORO PUBLIC LIBRARIES. Copies of the notice have also been posted in the board office and filed with Plainsboro's and West Windsor's township clerks and in each of the district schools.

No other members of the public were present.

BOARD PRESIDENT'S COMMENTS

Mr. Marathe welcomed everyone to the meeting and thanked them for their participation. He noted that the main purpose of the meeting was to develop an understanding of the district's financial picture as we prepare for the 2014-2015 budget; and, to understand and come to an agreement on how we will utilize the addition to the Village School.

SUPERINTENDENT'S COMMENTS

Dr. Aderhold also welcomed the Board to the retreat. He outlined a protocol to be used tonight to provide a structure to the process. As a start to tonight's discussion, he asked each participant to turn to another and briefly discuss "why do you do this Board of Education role that you put so much effort into throughout the year?" In a brief recap of the discussions, the dominant motivation to serving on the Board was: community service; a desire to give back to the community.

DISCUSSIONS

Budget 2014 - 2015: Guiding Principles and Priorities

Mr. Shanok reviewed the financial history of the district in the context of educational excellence and financial moderation. The district budget lays out the financial resources available for use in meeting its goals; the budget must allow for contingencies and risk. This is facilitated by adopting a multi-year perspective and working to allow as much flexibility as can be attained.

The 1990s were a period of tremendous district growth: enrollment, staff, and facilities. Experience across the state and nation demonstrates that excellence is a goal that most districts do not successfully achieve; yet, the district flourished within its choices. The district was allowed more flexibility back then: years ago, there was no cap on property taxes per se; even when a cap was first imposed it was twice the size of the current 2% general fund tax levy cap. Also, the district was allowed to have a much larger general fund balance – the district generally would maintain a 4.5 to 6 percent balance - allowing much greater year-to-year flexibility than the current 2% cap allows.

There was a price to the district's success: six of the 1990's budget-to-budget annual increases exceeded 10%. The district enjoys tremendous community support, yet as spending rose, three budgets were defeated. While building on educational excellence, the Board of Education charged the administration to reduce the rate of spending growth in a meaningful manner. This began concerted efforts that continue to this day to moderate the rate of growth in spending. As a practical matter, it is observed that unless one cuts significant numbers of personnel and programs, what is accomplished is a moderation in the rate of spending increases and not a literal spending reduction over a period of years. The discussion then covered the steps taken to accomplish this and the impact of these steps.

Within two years of this effort, district per-pupil spending went from \$336 per student above the state average to \$152 below the state average; continuing squeezing of costs – with an emphasis of staying away from the classroom – eventually brought the district to more than \$1,000 per student below the New Jersey average. Students, parents, staff, and facilities all support learning, but there can be no doubt that this is done in a relatively “lean” financial manner. Spending in other high-performing districts generally is well above our spending level.

With lower total spending comes some inevitable anomalies: WWP spends about \$8,000 per student in the classroom spending category; \$1,500 to \$2,500 per student less than Hopewell Valley and Princeton; this is about 65% of total district spending compared to 61%-63% at Hopewell Valley and Princeton. If we spent \$1,000 per student more, the figures would be ten million more dollars to be spent each year – a great deal of increased spending that we presently do not do.

A variety of other aspects of finance and budgeting were discussed. The district cannot have a line of credit, initiate bank loans, or access private equity sources as a corporation can. The district must budget adequately or face unpleasant last-minute cuts in programs when costs rise. Examples of rapid cost increases were discussed, among them: health benefit spending has increased by more than 10% in 6 of the last 12 years; 5 of the last 12 years have seen increases in workers' compensation insurance costs of 19% to 59%; 4 of the past 12 years have seen increased utility bills of 15% to 22%. Squeezing spending has led to tighter practices that occasionally have an impact on specific students; such impacts range from class size and availability to co-curricular activities. Utilizing excess surplus for tax relief and capital reserve, in turn, has led to heavy use of Regular Operating District grants that provide 40 cents on the dollar from the state for approved projects. These are among the tactics used to moderate growth in tax levies.

While the district has achieved a considerable amount of excess general fund balance in the last two years, this cannot be counted upon; and, past experience was reviewed to demonstrate this. The State of New Jersey has proven that it will abruptly impact funding and mandate additional expenses. It was shown where the squeezing has brought change: student: teacher ratios, student: administrator ratios, and other staffing levels. Each year there remain fewer available options to impede the rate of increase of costs without impacting programs and people.

General desires for more technology, security, facilities, and programs will require continuing attention and careful decision making. The pressure on expenditures will continue and the choices will not be easy to make.

Addition to Village School

Dr. Aderhold reviewed the history that led to the district decision to build an addition to Village School. Among the considerations are: a lack of additional classrooms for regular and special education needs; and, the confusion and inconvenience to parents from having Registration, Community Education, Special Services, Guidance, and Transportation at different locations due to the lack of space. The existing Central Office is not suited to its role; it has been seen by the Board of Education that portions of the building are not to be used as an all-day workplace. An addition allows the district some flexibility in addressing these issues without resorting to a referendum and \$40-\$50 million in bonding to support construction for another school. If further growth should develop in the future, a new school may be necessary; but, the addition creates the possibility of rearranging present district activities in a manner that assists parents, improves continuity of learning for students, and provides a few years in which to see how new township construction and demographics of the community develop.

Spirited discussion ensued among the Board members and administrators. Support for the direction outlined was broad based. To honor the district's practice of advanced awareness and communication it will be appropriate to expand the conversation to more and more district constituencies.

Superintendent Aderhold and President Marathe thanked everyone for their participation.

Upon motion by Ms. Krug, seconded by Ms. Kaish, and by unanimous voice vote of all present, the meeting adjourned at 10:22 p.m.

Larry Shanok, Board Secretary