

# SCHOOL BOARD notes

## NJSBA Outlines Facts of Aid Freeze; Asks Legislature to Eliminate 2010 Budget Election

Executive Order 14, which freezes \$475 million in current-year state school aid, will have a serious and negative impact on school district budgeting in 2010-2011, a representative of NJSBA testified to the Assembly Budget Committee on Wednesday.

For the current school year, the aid freeze may not affect school programs, Michael Vrancik, NJSBA director of governmental relations, told the lawmakers. That's because it will not exceed the excess surplus and portions of reserve accounts on hand in school districts.

"For next school year, 2010-2011, Executive Order 14 will create a very different scenario," explained Vrancik.

In the testimony, NJSBA provided the following facts to the committee:

- Some 500 school districts have accumulated excess surplus as a result of

financial prudence. Many of them feel that Executive Order 14 penalizes them for responsible fiscal management. For 2010-2011, these districts will not be able to use the excess surplus to control property tax levies, as directed by state law. "They tell us that the aid freeze and resultant use of surplus will leave them with three options: seek higher property taxes or cut education programs or implement a combination of the two," said Vrancik.

- Executive Order 14 also authorizes school districts to tap into certain accounts, such as capital reserve, to make up for the state aid loss. "In the interest of sound financial management, districts should replenish these reserve accounts next year," Vrancik said. "But such prudent action could force a district to direct less of its lim-

ited resources to the classroom."

**Impact on Districts** Vrancik provided specific examples of Executive Order 14's impact next year on a wide variety of school districts, including Bernards Township, Greater Egg Harbor Regional, Lumberton, Montgomery, Paramus, Paterson, Pennsauken and South Brunswick.

**Uncertain Future** "For school districts, one of the most difficult aspects of this cut is that it comes mid-year and will have unanticipated consequences for their finances in 2010-2011," said Vrancik.

"The situation adds to the uncertainty already facing districts as they try to develop their school budgets for 2010-2011. They are not likely to know the administration's state aid recommendations until mid-March. That will leave them only five weeks before they have to

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## Hearings Scheduled on Pension Reform Plan

NJSBA will testify in support of the pension reform plan in hearings to be held on Thursday, Feb. 18 by the Senate State Government, Wagering, Tourism and Historic Preservation Committee.

"Reform proposals like these are long overdue," said Marie S. Bilik, NJSBA executive director. "Taken together, many of the concepts in the legislative package would provide long-term stability for the retirement system and relieve taxpayers."

The four bills that will be considered

at the hearing will include S-2, which limits enrollment in the pension system to employees who work at least 35 hours per week at the state level, or 32 hours per week in local government and public schools. The bill also changes the equation used to calculate pension benefits for future employees by dividing the number of years worked by 60, rather than the current 55. In addition, pensions for workers in the public employee and teacher pensions systems would be

calculated using five years of salary, rather than three years.

S-3 would require all employees, including current school district employees, to pay at least 1.5 percent of their salary toward their health benefits after the expiration of their current contract, and require new employees to pay at least 1.5 percent of their base pension toward post-retirement health benefits.

S-4, a measure to limit sick leave pay-

*continued on page 2*

# State Releases 2009 School Report Cards

Last week, the state Department of Education released the 2009 School Report Card, the database that contains statistical profiles of all public schools in the state.

The report card allows the public to compare statistics on each school's enrollment, the school environment, student performance indicators, staff information and district/charter financial information. The department also released the 2009 Statewide Assessment Reports, which is the state's annual summary of the results for the testing administered to students in the spring.

Some statewide trends that can be extrapolated from the information:

- Students graduating via the Special Review Assessment (SRA), the alternate proficiency assessment for the HSPA, or High School Proficiency Assessment, declined slightly for a third year, to 10.9 percent from 11.2 percent in 2006-2007.
- Per pupil spending in New Jersey in the 2008-2009 school year increased by 7.9 percent (to \$13,601) over the previous year.
- Average SAT scores increased slightly over last year. The average math SAT score in the state last year was 515; the average score on the verbal portion of the SAT was 494, while the average on the writing portion was 494; comparable figures from the previous year were 514, 492 and 494. (National

averages were 515 for math, 501 for verbal and 493 for writing.)

The state assessment for grades three and four show only one year of results because the tests were new. In the second year of the tests administered to students in grades five through eight, overall test results indicated improvement. The biggest gains in language arts were in grade five from 60.1 percent proficient in 2007-2008 to 66.2 percent in 2008-2009, and grade six with 57.4 percent proficient in 2007-2008 to 70.1 percent proficient the following year. The biggest gain in math was in grade eight from 67.7 percent proficient in 2007-2008 to 71.8 percent proficient the next year.

One major addition to the 2009 report card was mandated by the U.S. Department of Education. States were required to report 2007 state and national results in reading on the National Assessment of Educational Progress (NAEP) for grades four and eight, and the 2009 NAEP math results for grades four and eight. In New Jersey's report card, the NAEP results are in the same section of the report card as the fourth and eighth grade NJ ASK state totals for grades four and eight.

The report cards were established by legislation in 1995; they are produced for all elementary and secondary schools, as well as vocational schools, special education schools, charter schools and special services school districts. 🍏

## Pension Reform Plan

continued

outs for all new local and school employees to \$15,000, will also be considered by the committee.

Finally, a proposed constitutional amendment, SCR-1, would require the state to annually meet its obligation for each pension plan it operates. If approved by the Legislature, the amendment would go to the voters in November's general election.

Each of the reforms has at least 23 Senate sponsors – more than the threshold of votes necessary to pass them.

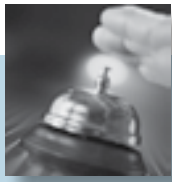
**Other Legislation** The Assembly Education Committee will also meet on Thursday, and the following bills will be considered:

**A-355** (Jasey/Voss): Establishes a permanent Interdistrict Public School Choice Program. NJSBA supports this proposal which is completely voluntary. It makes the interdistrict public school choice program permanent. A five-year interdistrict public school choice program was established in 2000 and expired on June 30, 2005.

**A415** (Rumana/Cryan): Provides an additional month for the completion of a school district's annual audit. NJSBA supports this measure

**A1894**(Cryan/Casagrande/Angelini): Requires certain conditions be met in order for school districts to provide their employees with tuition assistance for coursework or additional compensation upon acquisition of academic credits or completion of a degree program. NJSBA supports this measure, which provides safeguards to guarantee the credits are appropriately earned at an accredited institution.

**A2260** (Diegnan): Lengthens service life of certain school buses to 15 years. NJSBA supports this measure to the extent that the buses in question meet the state required safety inspections. 🍏



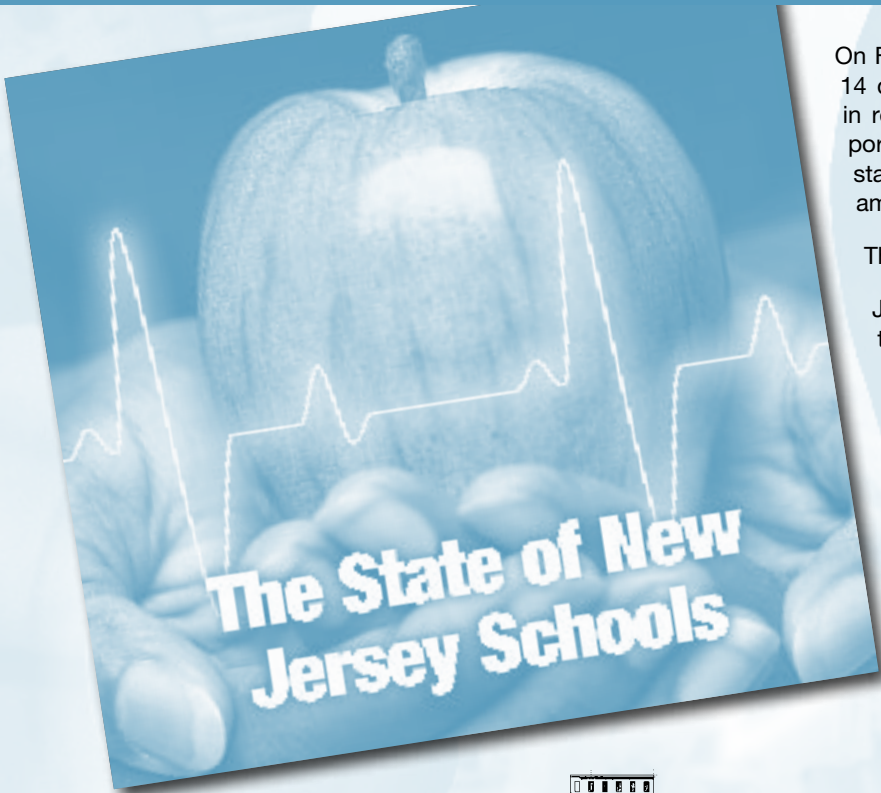
## NJSBA AT YOUR SERVICE

### School Election FAQs

The 2010 annual school election is Tuesday, April 20. To assist current and prospective board members, NJSBA's Legal and Policy Services Department has posted a document, *School Election 2010 Questions and Answers*, on the NJSBA Web site, [www.njsba.org](http://www.njsba.org).

The document covers a wide range of topics, including details on the specific election responsibilities of a board secretary, the legal requirements to become a board member, campaign expenditure reporting requirements, what happens in the event of a tie vote on either the budget or among school board candidates, and more.

# NJSBA'S REGIONAL TOWN HALL MEETINGS



On February 11, 2010, Gov. Chris Christie signed Executive Order 14 declaring a fiscal emergency in New Jersey. The order came in response to a deficit in the current-year budget. A significant portion of the effort to close the budget gap involves withholding state aid payments to some 500 school districts based on the amount of their excess surplus.

This is the state of New Jersey's schools.

Join us for a live, interactive, open and honest conversation about the state of education in New Jersey. This is your opportunity to participate in public decision making. Voice your opinion at NJSBA's Town Hall Meetings.

For your convenience, we're offering two regional opportunities to attend.

## LOCATIONS, DATES & TIMES:

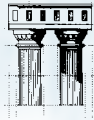
### **NORTHERN REGION**

Harrison High School, Harrison, NJ  
Saturday, March 6, 2010  
9:00 a.m. – 12:00 p.m. (registration 8:30 a.m.)  
Register at: <http://www.njsba.org/snjnsth>

### **SOUTHERN REGION**

Glassboro High School, Glassboro, NJ  
Saturday, March 13, 2010  
9:00 a.m. – 12:00 p.m. (registration 8:30 a.m.)  
Register at: <http://www.njsba.org/snjnssouth>

Cost: Free  
Academy Credits: 1  
Core Area for CBM: Covers all areas



**Please Note: We will not be serving a continental breakfast. Coffee, tea and water will be provided.**

For more information, contact NJSBA's Call Center at (888) 886-5722, ext. 5260.

The school district accountability law places travel restrictions on school board members. Travel approval is required in advance. For information, visit [www.njsba.org/accountabilityact/](http://www.njsba.org/accountabilityact/)

**Cancellation Policy:** For possible program cancellations or postponements due to inclement weather, call (609) 392-2000.

Please register me for the following **NJSBA Regional Town Hall Meeting:**

**NORTHERN REGION**  
**Saturday, March 6, 2010**  
Harrison High School, Harrison, NJ  
9:00 a.m. – 12:00 p.m. (registration 8:30 a.m.)

**SOUTHERN REGION**  
**Saturday, March 13, 2010**  
Glassboro High School, Glassboro, NJ  
9:00 a.m. – 12:00 p.m. (registration 8:30 a.m.)

NAME: \_\_\_\_\_ TITLE: \_\_\_\_\_  
DISTRICT: \_\_\_\_\_ COUNTY: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_  
PHONE: (h) \_\_\_\_\_ (b) \_\_\_\_\_  
FAX: \_\_\_\_\_ E-MAIL: \_\_\_\_\_

**Return to:** New Jersey School Boards Association, Call Center  
413 W. State Street, P.O. Box 909, Trenton, New Jersey 08605-0909 or FAX: 609-278-5280

# NJSBA Advises Patience in Negotiations

Current year state aid cuts and proposed legislation that would reform the benefits and pension system for public workers, including school district employees, will have significant negotiations implications for school districts.

On Feb. 11, Gov. Chris Christie announced a \$475 million cut in state aid to districts for the current fiscal year. The same week, several new bills were introduced in the Legislature that would reform how employee health benefits are provided.

**Loss of State Aid** The current year state aid cutbacks impact school districts now in negotiations for a contract covering the current school year (2009-2010). Those districts may find that salary offers previously made are no longer feasible in light of the immediate loss of state aid. Districts that are negotiating over contract terms for next year (2010-2011) may be hesitant to make a salary proposal, or to sustain a prior salary proposal, until school aid

budget figures are known for the coming year. In short, negotiations may come to a slow crawl while all participants are grappling to understand the budgetary impact.

**Health Benefits Proposals** The legislation introduced would impact health benefits in several ways. S-3 would require that employees in the School Employee Health Benefits Plan (SEHBP) contribute 1.5 percent of their base salary toward the cost of their insurance benefits. This premium sharing would become effective with the passage of the bill and upon expiration of a current collective bargaining agreement.

Among the other measures in S-3:

- A requirement that health benefit changes negotiated with state unions would apply to all other public employees that participate in the state health insurance plans
- Tighter restrictions on incentives to waive health insurance coverage
- The eligibility threshold for employee

participation in SEHBP would be set at 25 hours per week

- The prohibition on any individual being covered under more than one plan
- S-4 proposes a cap of \$15,000 on payment for unused sick leave, which would only apply to future hires and would only be granted upon actual retirement.

**SEHBP Participation** Districts that participate in the SEHBP, and are currently bargaining, may experience some immediate relief from the strangling costs of health insurance premiums. Districts that do not participate in the SEHBP may seek to negotiate over changes in level of benefits, to enable the district to move to the state plan.

Whether or not a district participates in SEHBP, these reform measures will have bargaining implications. The bills, as written, do not apply to private insurance companies. Nevertheless, the legislative and executive branches of state government have given clear direction that cost sharing is expected and essential for all public employees. Thus, even where insurance coverage is provided through a private carrier, these SEHBP reforms will strongly influence school boards' negotiations expectations concerning cost sharing measures.

**Bills Likely to Pass** While passage of some reform measures is widely considered to be likely, the specifics and the final form for such changes are far from clear, as Gov. Christie is pressing for even more stringent controls.

In the midst of this unpredictable and rapidly changing environment, school boards must exercise patience. While patience has always been important to success at the bargaining table, it is essential as these developments continue to unfold.

Now, more than ever, districts should make use of all available resources, including attorney/labor relations professionals and the NJSBA, to carefully assess their current situation before proceeding with negotiations. 🍏



## NJSBA's Webcast Series Debuts with Social Media Program

Beginning March 3, NJSBA will launch a new series of webcasts, Learn@Lunch.

This thought-provoking series will offer school board members an informal way to learn about issues relevant to public education and discuss them with colleagues from across the state – all from the convenience of members' home or office.

The first program will feature a program on how districts can implement and use social media. The guest will be Chris Brown, superintendent of the West Genesee school district in New York.

The only necessary equipment is a computer with an internet connection. There is no fee for participating in the webcast.

Each broadcast is just 30 minutes in length, and will be recorded and made available to be watched on-demand at a later date.

Other topics in March and April will include technology in the classroom, crisis communications and sustainable schools and school design. A full schedule of upcoming Learn@Lunch events is available at [www.njsba.org/learnatlunch](http://www.njsba.org/learnatlunch).

"We're very excited to launch this program for our members," said Erik Endress, NJSBA's Director of Association and Business Development. "Using Web-based technology, we're not only making it very easy for our members and any district employee to participate live or at their leisure, but we're able to have presenters from all over the country involved."

Endress stated that NJSBA members often asked him about using web-based technology to deliver training.

"When you're trying to deliver training and programs to 600 districts statewide, the reality is you can't be close to everyone with a live event. We hope that Learn@Lunch will enable as many people as possible to participate from wherever they are, whenever it is convenient to their schedule."

### Social Media 101

Spend your lunch break with NJSBA! Our new series of lunchtime webinars, Learn@Lunch, makes learning convenient. Watch the webinars live from your desk or replay the recorded webinar later, on-demand. The first in the series is Social Media 101.

#### Featured Presenters:

Chris Brown, *Superintendent, West Genesee School District, NY*  
Erik Endress, *Director, Association & Business Development, NJSBA*

Superintendent, Chris Brown is making news by using Twitter to keep the West Genesee School district informed. Learn how to get your school district up and running on Twitter and some best practices for using it to your advantage.

Are you one of the 300 million people using Facebook to keep up with your friends or to keep tabs on your kids? Your school district may be able to benefit from a Facebook presence too. Find out if a fan page is the right channel for your district; learn how to build an engaging fan page; and discover ways of integrating your Facebook fan page into your existing communication channels.



Can't make the live broadcast? Access recorded Learn@Lunch webinars the day after the broadcast at [www.njsba.org/learnatlunch](http://www.njsba.org/learnatlunch).

## Court Rules Copying Costs May Not Exceed Actual Costs

Last week, the Appellate Court determined in *Smith v. Hudson County* that a government agency may not charge members of the public more than the approximate "actual costs" of making photocopies of printed material. In this class action suit involving the counties of Hudson, Hunterdon and Sussex, citizens argued that the county offices overcharged them and other members of the public for reproducing government records on county office self-service copi-

ers and printers.

The ruling involved an interpretation of the Open Public Records Act's (OPRA) fee provisions. The portion of OPRA involving fees for copying allows a person to purchase records "upon payment of the actual cost of duplicating the record." The law also sets forth a sliding-scale fee schedule.

The citizens argued that the law required the government to charge a citizen the "actual costs" of duplicating

a government record, unless a separate statute or state regulation prescribes a different rate. The counties argued that a government agency may charge the price established in the sliding-scale as a "default rate" for photocopying, without reference to the "actual costs" of such copying.

The court considered at length the parties' competing interpretations of the law in light of the legislative history of the statute and the state's strong policy favoring reasonable citizen access to government records. Ultimately, the court ruled that a public agency must charge only the "actual costs." The court suggested the agency recalibrate its costs at least annually, and would allow a margin of error of a penny or two.

The ruling is effective prospectively as of July 1, the start of the next fiscal year.



#### NJSBA Executive Committee Meeting

In accordance with the Open Public Meetings Act, notice is hereby provided of a special meeting of the New Jersey School Boards Association's Executive Committee. The meeting will be held at the Doubletree Hotel and Executive Meeting Center, 200 Atrium Drive, Somerset, on Wednesday, Feb. 24, 3:00 p.m. The meeting will not be open to the public.

The agenda at this time includes an executive session to discuss potential litigation. For further information, contact Nancy Fletcher at (609) 278-5214.



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 Marie S. Bilik, *executive director*

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**School Aid Cuts**

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present proposed budgets to voters—in an extremely volatile atmosphere.”

**Eliminate Budget Election** The Association suggested a way the Legislature could resolve some of the uncertainty for school districts this year: by eliminating the requirement that school budgets within cap go to referendum. “It’s a change that will give districts much needed time to work with the changes created by Executive Order 14, as well as potential issues arising from the state aid recommendations,” said Vrancik. “And it will spare municipalities and school districts the time-consuming and, often, painful exercise of negotiating over rejected budgets that are bare bones to begin with.”


NJSBA testimony and key documents about the aid freeze are available at [www.njsba.org](http://www.njsba.org) under “What’s New.”

**C A L E N D A R**


**March 6**

 NJSBA Regional Town Hall meeting, “*The State of New Jersey Schools*,” Harrison High School, Harrison, 8:30 a.m.

**March 10**

 Sussex County SBA meeting, Marian McKeown Elementary School, Newton, 6:30 p.m.

**March 11**


 Hunterdon County SBA meeting, Hunterdon Central High School, Flemington, 6:30 p.m.



**March 12**

NJSBA Audit Committee meeting, Wyndham Conference Center, Plainsboro, 6 p.m.

NJSBA Board of Directors meeting, Wyndham Conference Center, Plainsboro, 6:30 p.m.

**March 13**

 NJSBA Regional Town Hall meeting, “*The State of New Jersey Schools*,” Glassboro High School, Glassboro, 8:30 a.m.

-  Denotes pre-registration required
-  Denotes NJSBA Board Member Academy Training Program

**Patience in Negotiations  
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Check the online version of *School Board Notes* for important stories not included in the print version. Click on “*School Board Notes*” under the “In the News” heading of [www.njsba.org](http://www.njsba.org).