

SCHOOL BOARD notes

Schundler: Expect Less Aid, Less Red Tape



Bret Schundler, left, Acting Education Commissioner, discusses education funding at NJSBA's Town Hall Meeting on Saturday. To his left are Michael Vrancik, NJSBA's director of governmental relations; Sen. M. Teresa Ruiz, chair of the Senate Education Committee; and Assemblywoman Mila M. Jasey, member of the Assembly Education Committee.

Be prepared for a statewide decrease in school funding, Acting Education Commissioner Bret Schundler told more

than 150 school board members and administrators at NJSBA's Town Hall meeting on Saturday at Harrison High School. But exactly how that reduction will affect individual school districts may vary widely, he said.

Schundler balanced the discouraging school funding scenario with a commitment to provide boards of education with the tools they need to control costs at the local level.

Tools for Boards "I would prefer to talk about education vision, but we are facing serious issues financially," said Schundler in his opening comments. "We have to talk about negotiations, pension benefits and how the Public Employment Relations Commission works. ...we have to

address problems that legislators have been reluctant to address before."

Schundler said that school district options to control personnel costs are limited due to state law and regulation. For example, he noted that districts cannot offer retirement incentives. He also stressed the need for health benefits reform, pointing to a premium increase exceeding 20 percent for the state-run School Employee Health Benefits Program.

"The problem is not that we have spendthrift boards; it's that local boards do not have the tools," he said. "We want to change the system that drives up the costs."

State Aid Picture Although the administration is trying to maintain level state aid, *continued on page 2*

New Jersey Not Chosen in First Round of Race to the Top Grants

New Jersey was not one of the 16 states selected as finalists in the first phase of the Race to the Top competition. The effort is the U.S. Department of Education's competitive grants program that will award \$4.35 billion to states that have raised student performance, instituted innovative educational reforms and plan to extend those reforms.

The finalists were announced on March 4. The U. S. Department of Education will award up to \$2.17 billion in Phase 1 of the grants. New Jersey sought between \$200 million and \$400 million.

Acting New Jersey Commissioner of Education Bret Schundler released a state-

ment expressing disappointment, but not surprise, at the state's unsuccessful bid. "From the start of this process, it has been clear that while the Corzine administration submitted a good application, a major deficiency in New Jersey's submission was the lack of support from local union leadership," he said. "With union leaders refusing to sign on, it would have been very difficult for us to convince the U.S. Department of Education that New Jersey was united behind this effort."

States that were unsuccessful applicants can submit an application for the second

round of funding, which Schundler said New Jersey would pursue. "As we begin work on the second round due in June, I am encouraged that the NJEA leadership has agreed to work with us on this," he said. "With their support of what the president is seeking from New Jersey, I'm convinced we will be able to put forward a winning application."

The successful Phase 1 finalists include: Colorado, Delaware, District of Columbia, Florida, Georgia, Illinois, Kentucky, Louisiana, Massachusetts, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina and Tennessee. 🇺🇸

Court: NJ Can Skip Pension Payments

An appeals court ruled last week that the State of New Jersey is not constitutionally required to pay the millions it owes every year into the teachers' pension fund.

In the case, *NJEA v. State of New Jersey, et al.*, the New Jersey Education Association claimed the state was required to fund the Teachers Pension and Annuity Fund. A previous court ruling found that the state was required to make the payments, but the union failed to show that the funding gaps substantially impaired the state's ability to pay out benefits for the next 30 years.

The March 4 Appellate Division ruling affirmed the lower court's decision, but for other reasons. The appeals court ruled "that TPAF members, although

entitled by law to the receipt of vested benefits upon retirement, possess no constitutionally-protected contract right to the particular level, manner or method of State funding provided in the statute."

The court noted that "there is a clear distinction between the right to receive pension benefits and the funding method adopted by the Legislature to assure that monies are available for payment of such benefits."

The NJEA has complained that the state has contributed nothing toward the teachers' pension fund in 11 of the past 15 years, leaving the security of the pension system vulnerable for future retirees.

The NJEA is considering an appeal to the state Supreme Court. 🍏

Schundler
continued

Schundler does not anticipate that it will be able to make up all of the \$1 billion in federal stimulus money that the previous administration used to plug a state aid hole in 2009-2010.

"I wish I had positive news about next year," he said. "We're already \$1 billion in the hole, and the economy is not rebounding."

If school funding is reduced state-wide, the administration will not apply the same percentage reduction to every school district, according to Schundler. He explained that a percentage cut in a high-aid district could be overwhelming when compared to the same percentage cut in a district that receives little revenue from the state.

Significantly, Schundler said the state might also recalculate aid based on whether a district is spending at the amount that the school funding formula deems as necessary to provide an "adequate" education. Additional money would be directed to those districts spending below adequacy.

Under statute, the state must provide school districts with their 2010-2011 school aid figures no later than 48 hours after the governor's annual budget message. Gov. Christie is scheduled to deliver his budget address on March 16.

School Budget Election Following his opening remarks, Schundler participated in a panel discussion with Senate Education Committee chair M. Teresa Ruiz and Assembly Education Committee member Mila M. Jasey.

"We're finally talking about the main problems and the main issues: health benefits, special education, and controlling costs," said Jasey.

However, the administration and Legislature must cooperate, according to Ruiz. "Change has to come through a collaboration and cohesive discussion," she said.

continued on page 3



NJSBA Form Assists Board Committees

NJSBA now has a form available to help school board committees keep track of their actions and recommendations.

School boards commonly divide into committees to perform board functions. NJSBA suggests that committees file a short report after each meeting to record issues that were discussed, items pending, and committee recommendations. Such a document can help the committee record members' insights and, when necessary, provide updates to the full board.

NJSBA has prepared a sample one-page form that board members can access online at www.njsba.org/committeereport.rtf. For more information, contact NJSBA policy consultant David Bosted at dbosted@njsba.org, or call (888) 886-5722, ext. 5267.

Legislative Committee to Meet

In accordance with the Open Public Meetings Act, notice is hereby provided of a meeting of NJSBA's Legislative Committee. The meeting will be held at Robert Wood Johnson Health and Wellness Center, 3100 Quakerbridge Road, Hamilton, on Saturday, March 20, at 8:30 a.m. The meeting is open to the public.

Change of Meeting Date: NJSBA Board of Directors

In accordance with the Open Public Meetings Act, notice is hereby served that the meeting of NJSBA's Board of Directors scheduled to be held March 12 at the Wyndham Princeton Forrestal Conference Center/Hotel, 900 Scudders Mills Road, Plainsboro, has been changed to March 19, at 7:30 p.m. at the same location.

For further information, contact Nancy Fletcher at (609) 278-5214.

Audit Committee to Meet

In accordance with the Open Public Meetings Act, notice is hereby provided of a meeting of NJSBA's Audit Committee. The meeting will be held at the Wyndham-Princeton Forrestal Conference Center/Hotel, 900 Scudders Mill Road, Plainsboro, at 6 p.m. Friday, March 19.

The meeting is open to the public. For further information, contact Joan Campbell at (609) 278-5211.

NJSBA Earth Summit: How Your School Can Go Green

Saturday, April 24 • 9 a.m. - 12 p.m. (registration 8:30)
The Willow School, 1150 Pottersville Road, Gladstone, NJ

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Keynote Speaker Sponsored by Parette Somjen Architects:

Jaimie P. Cloud, Author & Sustainability Expert,
Founder & President of the Cloud Institute for Sustainability, NYC

Presenters:

Mark Biedron, Cofounder, the Willow School
David A. Mooij, Superintendent of Schools, Neptune School District
Winnie Fatton, Project Manager, Sustainable NJ
Dr. Monica M. Browne, Superintendent of Schools, Upper Saddle River



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Register today at www.njsba.org/earth10/

Schundler continued

In addition to worrying about 2010-2011 state aid levels, districts are still reeling from a \$475 million current-year aid reduction, which more than 500 of them will have to absorb through the use of surplus and reserve.

To help districts contend with the impact of the surplus reduction, the late release of 2010-2011 state aid figures and the tight budget development timelines, NJSBA has recommended suspension of the 2010 base budget elections. The action would provide additional time for local school districts to develop their budgets and for the state to review the proposals for efficiency.

Panel moderator Mike Vrancik, NJSBA's director of governmental relations, asked the two legislators and Schundler for their reaction to suspending the

budget election. Discussion, however, turned immediately to the longer-range prospect of permanently eliminating the vote on proposed budgets that are below the state-imposed tax-levy cap.

Up to now, many legislative proposals to eliminate the budget vote would also move school board member elections to the partisan November General Election. Schundler cited the administration's support for the combined change.

Many NJSBA members, while supporting elimination of the budget vote, strongly oppose running for office in November. Ruiz and Jasey, a former three-term school board member, said they would raise the separation of the two issues in their committees, a strategy urged by NJSBA.

Standards-Based Reform While finances dominated the Town Hall discussion, the

panelists also addressed broader education policy and school reform.

"My vision for public education, in many ways, is the same as the Obama Administration's vision," said Schundler in response to a board member's question about the future direction of New Jersey public education.

The acting commissioner said he supported "standards-based reform," which focuses on setting goals, rather than "top down" regulation. Such standards, however, must be clear and backed up by "sophisticated assessments."

"We don't want to burden you with so many reports that we don't have the time to read," he said.

"We want to move away from being the 'chief harasser' of school districts to being the chief supporter," Schundler commented. 🍏



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School Board Notes is published as a weekly supplement to *School Leader*, the official bimonthly journal of the New Jersey School Boards Association. It is mailed to board members, superintendents and school business administrators of affiliated school boards as part of membership dues. Non-members may purchase annual subscriptions at the following prices: *School Board Notes* – \$55; and *School Leader* – \$50.

 *School Board Notes* is printed on recycled paper using vegetable ink.

March 11, 2010

Volume XXXIII Number 28



LEGISLATIVE UPDATE

Bill Addresses Education of Children in Family Crisis

The Assembly Education Committee on Monday released a bill that would require schools to continue to educate children who have moved out of the district due to family crisis.

The bill, A-458, says children would have the option of remaining enrolled in their home district until the end of the school year, even if they move out of that district due to domestic violence, sexual abuse or other family crisis. The state would be responsible for paying the cost of the transportation services. The bill is now poised for a vote by the full Assembly.



School Funding in Warren

Sen. Michael J. Doherty discusses state education funding at the Warren County School Boards Association's March 3 meeting. Seated at the table from left to right are Executive County Superintendent Dr. Kevin Brennan, Assemblyman Erik Peterson and Assemblyman John DiMaio. Barbara Horl of NJSBA's governmental relations unit sits at the right.

C A L E N D A R

March 31

▶ Learn@Lunch: "Beyond Bricks and Mortar: The Real Goal of School Design, Impacting Student Learning." Online at www.njsba.org/learnatlunch (Register by selecting the link under March 31). 12-12:30 p.m.

▶ Salem County School Boards Association meeting, Salem County Vo-Tech Restaurant, Woodstown, 6:30 p.m.

▶ Denotes pre-registration required

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.