

SCHOOL BOARD notes

Budget Accord Faces Last Minute Negotiations

As *School Board Notes* went to press on Monday, both houses of the state Legislature were scheduled to vote on the \$29.4 billion 2010-2011 state budget. The budget must be passed by June 30 to avert a shutdown of state services and funding.

Much of the budget that Gov. Chris Christie presented to the lawmakers back in March remains intact, including state aid to education, which was cut by about \$820 million.

Early last week, a budget deal between Gov. Christie and the Democratic leadership in the Legislature was announced. It involved all Republicans voting for the budget, while Democrats would provide enough votes to ensure passage. That arrangement hit a bump when two Republican Assembly representatives threatened to withhold their votes. According to newspaper reports, Assemblyman Michael Patrick Carroll is requesting across-

the-board 7 to 8 percent cuts of school aid, rather than this year's cut of up to 5 percent of each district's budget. Assemblywoman Alison Littell McHose was quoted as saying she would introduce an amendment that would cut \$613 million from public pre-school to pay for cuts in suburban districts.

For updated information, read the online edition of *School Board Notes* sent via e-mail and available at www.njsna.org/sbn.



Fate of Vouchers, Tax-Cap Bills Remain Uncertain

As the fiscal year winds down in Trenton this week and the traditional summer recess looms, several significant bills are in flux.

The Opportunity Scholarship Act, S-1872 (Lesniak, Kean), and companion bill A-2810 (Fuentes, De Croce), are currently the focus of legislative debate and maneuvering. The bill would give tax credits to corporations that contribute to a fund, operated by the

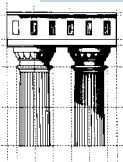
Department of Treasury, which would provide "scholarships" – vouchers – that may be used at a public or non-public school of a student's choice. NJSBA opposes S-1872 because it would divert at least \$360 million over the next five years from New Jersey's general fund at a time when public education is underfunded. According to media reports, the bill sponsors will introduce amendments to limit the number of schools affected,

although nothing had been formally introduced at press time.

2.9 Percent Cap A Democratic alternative plan to Gov. Chris Christie's proposal to cap property tax collection increases by 2.5 percent a year is likely to come up for a vote before both houses of the Legislature this week. The Democrats' bill would limit increases to 2.9 percent and would provide for some exceptions. While Gov. Christie has not publicly declared that he would veto the bill, S-29 (Sweeney)/A-3065 (McKeon, Barnes, Burzichelli), it appears likely he would do so because the 2.9-percent bill would supplant the Christie proposal to amend New Jersey's constitution.

The Assembly Democratic leadership also announced that it would study Gov. Christie's 2.5 percent property tax cap proposal and his 33-bill toolkit over the course of this summer.

NJSBA will update legislative developments through *School Board Notes* online.



ELFJ Leadership Conference

On Saturday, July 10 from 9 a.m. to 2:15 p.m., the Educational Leadership Foundation of NJ (ELFJ), in partnership with the Princeton Center for Leadership Training (PCLT), will offer a Leadership Conference at the Mountain Villa School, Rutherford Hall, in Allamuchy.

The program is designed to help school officials increase their effective leadership skills and motivate and inspire others to achieve shared objectives. The full-day program includes morning and afternoon seminars, as well as a keynote address by Dana Elizabeth Egreczky, vice-president for Workforce Development, New Jersey State Chamber of Commerce. A continental breakfast and a lunch will be served.

The program is being provided free of charge to the first 100 registrants, approved through a grant provided by the ELFJ. To obtain a registration form and grant application, visit www.elfnj.org. For more information, e-mail info@elfnj.org.

A Comparison of Cap Proposals

Lawmakers are dealing with two proposals to tighten New Jersey's current cap on school property tax increases. Gov. Chris Christie's "CAP 2.5" is a proposed amendment to the state Constitution that would place a 2.5 percent hard cap on school,

municipal and county tax property tax levies. The Senate leadership's 2.9 percent plan would be implemented through legislation and would reduce the current number of exceptions.

School Board Notes presents the follow-

ing chart to help school board members note key differences between the Administration's and the Senate's proposals, as well as New Jersey's current 4 percent tax levy cap.

See NJSBA's positions, page 3.

	Current 4% Cap	'CAP 2.5': SCR 104/ACR 131	2.9% Cap: S-29/A-3065
PRIME MOVERS	Assembly and Senate leadership	Governor Christie	Senate President Sweeney
METHOD OF ENACTMENT	<ul style="list-style-type: none"> Signed into law by then-Gov. Jon Corzine in April 2007 as P.L.2007, c.62. Passed during Legislature's Special Session Property Tax Reform (2006-2007). 	<ul style="list-style-type: none"> Constitutional Amendment approved by simple majority of voters Placement on ballot requires Senate and Assembly to OK concurrent resolutions by three-fifths majorities. If adopted by voters, future cap changes would require re-amendment of Constitution. 	<ul style="list-style-type: none"> Legislation passed by the Senate and Assembly and signed by the governor. If enacted, future change could take place through legislation, including provisions in the annual state budget.
STATUS	<ul style="list-style-type: none"> Set to expire after the 2011-2012 school budget year. If lawmakers take no further action, the previous "S-1701 cap" will return. <ul style="list-style-type: none"> Placed a 2.5% cap on total school spending, resulting in larger property tax levy increases to make up for flat or reduced state aid 	<ul style="list-style-type: none"> SCR 104, assigned to Senate Budget & Appropriations Committee; ACR 131, assigned to Assembly Budget Committee. Both introduced May 20. The full Senate and full Assembly tabled the resolutions by votes of 21-16 and 44-36, respectively, on June 21. To appear on November 2010 ballot, Assembly and Senate must approve concurrent resolutions by three-fifths vote in July. To be effective 2011-12 	<ul style="list-style-type: none"> S-29 and A-3065 were scheduled for votes in the Senate and the Assembly June 28. To be effective 2010-2011
ALLOWABLE INCREASE	4%	2.5%	2.9%
BASIS	Previous year's school tax levy, adjusted for enrollment increases and debt service	Previous year's school tax levy, reflecting assessed value of new construction.	Previous year's school tax levy, adjusted for enrollment increase and debt service
ADJUSTMENTS	<ul style="list-style-type: none"> Reduction in state aid Health benefits cost increases Pension cost Increases 	<ul style="list-style-type: none"> Debt service increase 	<ul style="list-style-type: none"> Reduction in state aid Health benefits cost increases Pension cost Increases
COMMISSIONER OF EDUCATION WAIVERS	<ul style="list-style-type: none"> Inability to meet state core academic standards New school start-up costs Appropriation of non-recurring revenues Cost increases above 4% for the following: <ul style="list-style-type: none"> Energy Capital outlay Extraordinary special education costs Tuition (sending-receiving, vocational) Insurance premiums 	None	Inability to meet state core academic standards.
SECOND QUESTIONS	60% of participating voters may approve question to spend above cap for specific purposes not related to the provision of a thorough and efficient education.	60% of voters may approve question to spend above cap. Concurrent resolutions do not restrict the use of the additional funds.	None
CAP BANKING <i>(Application of "unused" portion of district's current tax levy cap to future years' caps)</i>	Not permitted	Allowed	Allowed, but proposal would not permit application of unused cap above 2.9% from the 2010-2011 school year.
IMPACT ON STATE SPENDING	None	<ul style="list-style-type: none"> Related proposals, SCR 103 and ACR 130, would amend state Constitution by placing a 2.5% cap on future growth in the state operating budget, with the exception of aid to schools, municipalities and counties. According to supporters, future increases in state income, sales and corporate tax revenues would then be applied to school, municipal and county aid. 	None



Is Your District Feeling the Squeeze?

Whether your district is self-represented or uses the services of a professional negotiator, NJSBA's bargaining conferences will help your board negotiate more effectively.

Negotiate Effectively in Tight Times

Preparing for Bargaining

Saturday, September 11, 2010

9:00 a.m. - 4:15 p.m.

RWJ Hamilton Center for Health & Wellness

This fast-paced program will guide you through the preparation activities and legal framework critical to effective bargaining. Topics include:

- The Board's Obligations and Rights
- The Roles of the Bargaining Team and the Board
- Costing Out the Current Agreement
- Developing Board Proposals

Academy Credits: 2

Core Area for CBM: Labor Relations

Core Area for MBM: Labor Relations

IMPORTANT NOTICE: The school district accountability law places travel restrictions on school board members. Advanced travel approval is required. For details, visit www.njsba.org/accountabilityact/

Intermediate Bargaining

Saturday, September 25, 2010

9:00 a.m. - 4:15 p.m.

RWJ Hamilton Center for Health & Wellness

Learn what happens at the bargaining table; what to expect and how to respond. Topics include:

- The Mechanics of Bargaining (ground rules, timing, procedures)
- Analyzing Union Demands
- Using Comparative Data
- At-the-Table Techniques
- Impasse Procedures

Academy Credits: 2

Core Area for CBM: Labor Relations

Core Areas for MBM: Labor Relations, School Law

Cancellation Policy: Cancellations made up to 10 working days prior to the program date will be refunded the entire registration fee. Cancellations made between 10 working days and 72 hours of the program date will be charged \$25. Cancellations made within 72 hours and no shows will be charged the full fee. For possible cancellations due to inclement weather, call (609) 392-2000.

To register, click on the Bargaining Conference link at www.njsba.org.

NJSBA Position on State Budget Caps

- NJSBA has long-standing policy supporting reasonable caps on revenues and spending. However, the definition of a "reasonable cap" must include allowances for cost increases that are not within a local school board's control.
- The allowable percentage increase in the cap should reflect current economic conditions, including the costs to operate a local school district, as well as consumer prices.
- "Cap banking" encourages long-range financial planning by permitting a school district to apply the unused portion of the cap to future years' budgets.
- NJSBA also supports the ability of school districts to propose expenditures above cap to voters. Such questions should require simple majority approval.
- Budget caps should be implemented through legislation, rather than being permanently memorialized in the state Constitution. Since 1977, school districts and municipalities have been subject to various forms of caps. From a taxpayer's perspective, some worked better than others; some did not work at all. Necessary changes can be made much more easily through legislation than by "re-amending" the Constitution.

See comparison chart, page 2.

School Board Notes on Summer Schedule

School Board Notes will begin its summer schedule next week. There will be an online-only edition published on July 8. Online and print editions will be published on July 22, Aug. 12, Aug. 26 and Sept. 9.

If major developments occur between publication dates, NJSBA will issue special electronic editions of *School Board Notes*.



Oct. 18 Golf Outing Benefits ELFNJ

Join the Educational Leadership Foundation of NJ for the first ever ELFNJ Golf Classic. Your participation and sponsorship will help raise funds for the foundation, which serves New Jersey's local boards of education, public charter school boards of trustees, other public entities and non-profit organizations.

The event will take on Monday, Oct. 18, the day before the start of Workshop 2010. It will be held at Fiddler's Elbow Country Club in Bedminster. The club spans a scenic region of Somerset and Hunterdon Counties and includes three distinctive golf courses and a stately English manor house on nearly a thousand acres.

For more information, go online to <http://elfnjgolf.eventbrite.com/>.



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

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Deadline Approaches for School Leader Awards

The July 16 deadline for the NJSBA School Leader Awards program is drawing near.

The School Leader Awards showcase creative programs in New Jersey’s public

schools. Entries are judged on the degree of innovation and challenge, how well a program addresses a need, and how the program is integrated into the district’s curriculum and into the state’s Core Cur-

riculum Content Standards. Judges also take into consideration a program’s evaluation strategies, community involvement (if applicable) and any future plans for improvement.

In 2009, six programs were selected for recognition at NJSBA’s Annual Workshop.

Winning entries will be recognized during a ceremony at Workshop 2010 in October in Somerset.

For additional information, visit the School Leader Award section of NJSBA’s website, www.njsba.org, or contact Ann Marie Smith via e-mail at amsmith@njsba.org or by calling (609) 278-5209. 🍏

NJSBA Office on Summer Schedule

During the months of July and August, NJSBA will institute a four-day adjusted work week for its staff. The total number of hours worked will remain unchanged, although employees will work extended hours Monday through Thursday, and the NJSBA headquarters office will be closed on Fridays.

While the office will not be open on Fridays during July and August, any previously scheduled off-site meetings or programs involving NJSBA staff will take place. The office will return to a normal schedule the first week of September.