

## Leadership for Educational Excellence



April 8, 2016

President Mark Biedron  
State Board of Education  
100 River View Plaza  
P.O. Box 500  
Trenton, NJ 08625

Dear Commissioner Hespe:

As you are well aware, the Accountability Regulations (N.J.A.C.-23A:23A) are scheduled for re-adoption in November of 2016. This matter has been an item of discussion over the past few months by members of the LEE Group. Each of the professional associations has conducted its own review of the regulations and intends to submit respective comments in the near future. The Group decided that it would be productive to meet and review each Association's comments on the Code to determine where a common consensus of opinion existed relative to particular Code provisions.

To that end, the undersigned Members of LEE hereby submit for your consideration and that of the State Board of Education their consensus of opinion on specific code provisions as listed below:

### **Subchapter 1 – Purpose Scope, Definitions**

We recommend that this section be appropriately amended consistent with current law and specific code recommendations that follow that are acceptable to the Department and State Board of Education.

## **Subchapter 2 – Executive County Superintendent of Schools**

Although statute has recognized the value in advancing the various studies outlined in this subchapter, there has not been a statutory requirement to do so. In fact, many studies relative to regionalization, non-operating school districts, transportation, shared services, etc. have been completed. County offices have the authority to move forward with studies of this kind without the need for code provisions. Accordingly, we recommend that this entire subchapter and associated definitions be deleted.

## **Subchapter 3 – Administrator and Board Member Accountability**

**6A:23-3.1(e)2** There is no statutory provision that caps or limits the rights of individuals relative to the negotiation of contractual compensation. The arbitrary limits placed on the compensation of school superintendents has resulted in the premature exit of many of our states educational leaders. Further it has created a disincentive for those that aspire to school district leadership and limited the right of boards of education to negotiate terms and conditions of employment for their educational leader. Accordingly, we recommend the elimination of 6A:23-3.1(E)2 along with relevant definitions in Subchapter 1.

## **Subchapter 5 – Additional Measures to ensure effective and efficient expenditure of district funds**

Notwithstanding other laws to the contrary, the undersigned members of the LEE group unanimously agrees that provisions in this subchapter are overly prescriptive and burdensome for NJ School Districts. We believe that many of the measures contained here can be incorporated as part of a district's internal control protocols or within local board policy. New Jersey's 2% tax levy cap on school spending will require a deliberate review of all costs in search of the most effective and efficient expenditure of school funds. Accordingly, we recommend the elimination of this section or a requirement that school district "may" consider controls or board policy in these areas.

## **Subchapter 6 – Conditions for the receipt of state aid**

**6A:23A-6.2** There is inconsistency here with the regulations and New Jersey's School Ethics Act. There is particular conflict in the definitions of "relative" and "immediate family member". We recommend that this section of code be eliminated as New Jersey statute (School Ethics Act) should be the prevalent reference.

**6A-23A-6.7 through 6.13** - Similar to our comments in subchapter 5, we believe that these sections are overly burdensome and proscriptive; limit the local discretion of a board of education, and may be incorporated in district policy or included in internal control documents. We recommend elimination or wording that these controls "may" be locally considered.

## **Subchapter 7 – School district travel policy and procedures**

6A:23A-7.3(b)1 - As the maximum annual amount not requiring board approval has been \$1500 for many years, we recommend that this amount be increased to \$3000 with consideration of an annual inflator such as CPI or other appropriate inflationary index.

6A:23A-7.3(b)2 As the maximum “in-state” registration fee in this section has been \$150 for many years, we recommend that this amount be increased to \$300 with consideration of an annual inflator such as the Consumer Price Index (CPI) or other appropriate inflationary index.

6A:23A-7.11(d) This section provides for an arbitrary prohibition for employees and board members to be reimbursed for the cost of overnight accommodations if the employee or board member lives within 50 miles of a conference approved by the Commissioner of Education. This prohibition fails to recognize the unique opportunities for staff and board members to build relationships and camaraderie beyond the scheduled professional clinics and academic symposiums. No other public officials at the State or local level have such a prohibition. We recommend the elimination of the 50 mile limit.

6A:23A-7.12(f)5 We do not think that State regulations need to govern leftovers after meetings of local boards of education. This provision and should be eliminated.

## **Subchapter 8 – Annual budget development and submission**

6A:23A-8.2(b) This section requires a school district to publish a statement with its annual school budget if it proposes a budget with a general fund tax levy and equalization aid exceeding the school district’s adequacy budget. There are a number of reasons beyond the control of a local board of education that could cause a district to propose a budget that exceeds adequacy, not the least of which is the fact that the adequacy budget fails to recognize certain cost elements. The Department’s recommendation to reduce the weighting factors for special populations could unexpectedly result in a district moving from a position of being within adequacy to being over adequacy. It is extremely difficult to explain to the public the reasons why educational spending exceeds the hypothetical construct of the State’s adequacy budget for public schools. This section is a counterproductive requirement and only results in confusion and misunderstandings at the local level. We recommend the elimination of this requirement.

6A:23A-8.7 - No longer applicable. We recommend deletion.

## **Subchapter 9 – Executive County Superintendent budget review procedures**

6A:23A-9.3A – No longer applicable. We recommend deletion.

## **Subchapter 10 – Spending Growth Limitation**

6A:23A-10.1 and 10.2 - No longer applicable. We recommend deletion

6A:23A:10.3(a) - This section limits the use of banked cap beyond a period of two years. New Jersey's 2% levy cap will make it more and more difficult to maintain current school programs in the absence of increased state school aid. This will result in a greater reliance on local support to continue and maintain the educational excellence many school districts now enjoy. Districts should not be penalized for underutilizing school tax levy support for future use. Accordingly, we recommend that unused spending authority be available for a period of five years.

## **Subchapter 11, 12, 13– Tax Levy Growth Limitation-----Commissioner Waivers and separate voter approval-----Budget Transfers**

We recommend that these chapters be updated consistent with current law.

## **Subchapter 14 Reserve Accounts**

Current budgetary limitations now require NJ school districts to include capital expenditures within their annually adopted operating budgets. This means that annual capital outlay appropriations for such things as roof repairs and replacement, mechanical system upgrades, major plumbing and electrical upgrades, sidewalk and playground infrastructure must be within a school district's 2% tax levy limits. Absent increases in state school aid, the majority of school districts can barely cover current operational costs within current spending limits and they must forgo addressing capital infrastructure. Accordingly, capital reserve has become the default source of funding for necessary health and safety capital projects.

Accordingly, current provisions to deposit funds in all reserve accounts in June should remain as written and it should be clear that withdraws from capital reserve for eligible and otherwise eligible projects be allowed by board resolution.

## **Subchapter 16 – Double-entry bookkeeping and GAAP accounting**

6A:23A-16.9 We recommend changing the word in the first sentence to state that a district board of education "may" establish a summer pay plan. We further recommend that the entire last sentence be eliminated that requires these funds to be deposited in an interest bearing account and made available to employees. This provision is more properly an issue for collective bargaining.

## **Subchapter 18 – Tuition for private schools for students with disabilities**

We encourage the State Board to place further restrictions on the ever increasing tuition costs for private schools for the handicapped. The escalation of tuition rates has become a major financial burden for all NJ school districts. Their right to amend rates after certification by the state only adds to this financial burden and hardship.

## **Subchapter 19 – Emergency state aid and residency determination**

We recommend that this chapter be updated to be consistent with current statutory requirements.

The undersigned members of the LEE Group respectfully submit these comments for the consideration of the Commissioner and the State Board of Education. We are more than willing to meet with the Department or the State Board to address any questions or clarifications.

Respectfully,



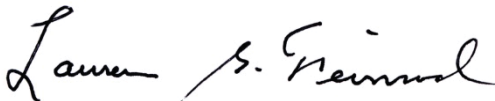
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New Jersey Education Association



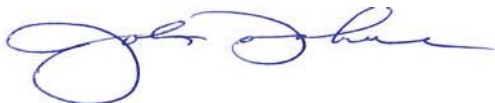
Lawrence Feinsod

New Jersey School Boards Association



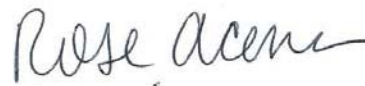
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