

**REPORT OF THE
HADDONFIELD BOARD OF EDUCATION
COMMUNITY BUDGET ADVISORY COMMITTEE**

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Executive Summary

The Community Budget Advisory Committee (CBAC) was formed in the spring of 2008 to make recommendations to the Haddonfield Board of Education (BOE) for its budgeting process, specifically to identify and develop areas of potential savings and new revenue. The committee, made up of community members with a variety of backgrounds, was formed in response to a recent history of divisive budget discussions, two out of three years of defeated budgets, perceptions within the community that the budgeting process lacked openness, and voter concerns about increases in school funding and the consequent increases in taxes.

The BOE, facing a difficult economic climate, minimal state aid, Haddonfield's largely residential tax base, and anticipated increases in spending, asked the committee to "think big" in coming up with new funding ideas and possible areas of savings. The goal was to recommend ways that the BOE can maintain its exceptionally high educational standards and successes while keeping tax increases as low as possible. Various challenges facing Haddonfield in the next few years—upcoming teacher negotiations, possible property development, the upkeep of infrastructure, etc.—made this an especially important time for the work of the committee.

During monthly meetings with the district Superintendent, Business Administrator, BOE President and Vice President, the CBAC examined district appropriations, expenditures, and financial audits and reviewed the budget process. The committee then divided into two teams, one focused on alternative sources of revenue, the other on potential cost reduction strategies. In both areas, the BOE has already taken many initiatives, and the teams had additional recommendations. The committee focused on three sources of revenues: leveraging existing services, pursuing new funding sources, and establishing new fee-based services. An example of leveraging existing services is aggressively recruiting to fill open tuition seats in the high school and middle school for a possible yield of \$700,000 annually. In addition, several possible new sources of funding were identified, including corporate sponsorships and aggressively pursuing grants through a revitalized Haddonfield Educational Trust and/or volunteer and sponsored grant writers. Lastly, the committee recommended exploring new fee-based services such as offering Advanced Placement courses to other districts, developing e-education capabilities, and becoming a "Lightship" or development district that would attract funding as an educational laboratory. Generating these additional revenues will require a focused effort, but rough initial estimates suggest the opportunity to generate up to \$3 million annually over the next three to five years.

In the areas of shared services and cost reductions, the committee recommends that the BOE continue to use and expand its shared services with the Borough of Haddonfield, coordinate scheduling and transportation within the Colonial Conference, explore the possibility of sharing an athletic director with other districts, accelerate energy saving alternatives, and explore shared information technology (IT) services with Drexel University. In the area of cost reductions, saving opportunities were identified through *privatization* of services such as custodial and food service and increased *efficiency*

through paperless administration (to be carried into the classroom where possible) and through an organizational process assessment or efficiency review. Most significantly, recommendations were made in the area of *compensation*. Taking into account the BOE's contractual obligations and its upcoming contract negotiation with the Haddonfield Educational Association, the following proposals were made: set a salary cap for clerical and administrative workers, have a one-year salary freeze for non-union employees in the next fiscal year and at the end of the contract for union employees, look for alternatives to maintain or reduce the district's healthcare costs, and implement premium sharing of health benefits for all employees. Again, savings estimates are rough, but committee proposals have the potential to save the district \$4-5 million over the next four years.

Additional recommendations were made to increase visibility and transparency within the district, to follow through on discussions initiated by the CBAC chair with Drexel University to develop an IT partnership and possibly to develop a plan for Haddonfield to become a "Lightship" or laboratory district. This concept would have the potential for Haddonfield to take a leadership role in state educational innovation and development that would attract state aid, corporate sponsorship, grants and tuition students.

The CBAC makes all of its recommendations with confidence in the BOE's commitment to quality education and the need to be responsive to the tax burden of Haddonfield's citizens, though challenges exist. In addition, the committee is confident in the abilities of the Superintendent and the Business Administrator to work toward the same goals. The CBAC recommends that all cost control, shared services, or revenue generating ideas be viewed with the focus on our community's commitment to use our limited resources in the classroom and for the benefit of the children.

Establishment of the Committee

At its April 24, 2008 meeting, the Haddonfield Board of Education (BOE) established the Community Budget Advisory Committee (CBAC) to make recommendations to the BOE with respect to budget issues, specifically identifying and developing potential areas of savings and new revenue opportunities. The CBAC was asked to become familiar with the district's financial data and make specific recommendations to help improve operations.

Objective of the Committee

The CBAC was charged with determining ways to maintain the high quality of our district's education while facing the formidable financial realities of running a school system in the current economic climate.

Specific objectives given to the CBAC were:

- Assist the district with respect to budget issues, specifically identifying and developing potential areas of savings and new revenue opportunities
- Identify increased efficiencies and savings
- Review district appropriations, expenditures and financial audits
- “Think big”—connect savings and revenue increases to impact on taxes
- Ensure that recommendations include suggestions for implementation

Participants

The committee members include citizens active in community organizations, PTA members, citizens with extensive business experience, community members with varied opinions of the school budget, parents and senior citizens. The BOE President and Vice President, as well as the district Superintendent and Business Administrator, were available as resources to assist the CBAC in carrying out its duties.

Environment Leading to Establishment of the Committee

Recent School Budget Experience

The BOE established the CBAC in response to the environment surrounding the school budget approval process over the past several years. Elections in two of the three years preceding establishment of the committee resulted in voter disapproval of the school budget, requiring the budget to be referred to the Borough commissioners for approval. The budget issue had become very divisive within the community. Perceptions existed among some members of the community that the budget process lacked openness and public input. There was an evident lack of confidence in the commitment of the district administration and the BOE to controlling expenses.

Within Haddonfield, there was evident frustration with steady increases in all Borough budgets and taxes over a number of years. Unfortunately, the Borough's tax base is close to 95% residential. Most neighboring districts, such as Moorestown and Cherry Hill, have considerable commercial bases, such as office complexes, malls, and large retail facilities that contribute to the tax base. In contrast, most of Haddonfield's businesses are local retail and very recession sensitive.

Voter groups concerned about increasing property taxes as a result of the school budget were very active during the past budget season. Many of these citizens came to the sessions held by the board and expressed their concerns. They also communicated their concerns through the local media.

Faced with this increasing criticism of the budget process, the BOE attempted to make the 2008 budget process more open by posting information on the proposed budget, as well as historical budget information, online for easy access by the community. They held numerous public meetings during the budget season to respond to voter concerns and questions and increased communication with the community via local media.

In April 2008, the voters of Haddonfield approved the school budget by a 753 vote margin, the largest in 20 years. The budget as passed represented a 2.39% tax increase, the lowest in Haddonfield in 20 years. Despite the strong support of the budget, the BOE recognized the importance of continuing the open process of budget development and approval in order to ensure that the budget represents the interests and values of the town.

Lack of State Funding and Spending Comparisons

Under New Jersey's formula for distribution of State education funds, Haddonfield is classified as a J district, the highest socioeconomic level. It is the only district in South Jersey so classified. As a result of this classification, the district receives only minimal State funding. In 2007, Haddonfield received \$739 per pupil. In contrast, Moorestown received \$1,162 per pupil. West Windsor/Plainsboro, the nearest "J" district, received \$851. (*See Appendix I.*) (It is important to note that all State aid goes toward special education. The State has never provided the district with its full share intended. The federal government has never paid any of its share to the district.)

For the 2008-2009 school year, the basic State aid anticipated by Haddonfield will amount to approximately \$1.5 million and there is concern that, given the recession, that money may be reduced or cut. The budget for the Haddonfield Public Schools is in excess of \$31 million. When debt service is included in the figure, it grows to \$33 million. The difference between the State funds and the cost of educating the students must be met by the Borough citizens.

District Performance

Despite its minimal state funding, Haddonfield maintains a level of excellence surpassing neighboring districts and most districts within the State. In *New Jersey Monthly's* 2007

ranking of the top New Jersey high schools, Haddonfield was ranked 17th. The next closest South Jersey high school was Cherry Hill East, ranked 42nd. Moorestown was 63rd, and, in West Windsor/Plainsboro, the nearest “J” district, one high school ranked 9th and another 18th.

In the same year, the average SAT score for a Haddonfield Memorial High School student was 1684. Cherry Hill High School East students averaged 1645, while Moorestown High School students averaged 1657. West Windsor/Plainsboro students averaged 1742.

In testing mandated by No Child Left Behind, 96-100% of students at elementary, middle and high school levels scored in the proficient or advanced proficient range in math, language arts and science.

Haddonfield maintains this quality of education while spending less than most districts in the State. For 2006-2007 (the latest year for which data is available), Haddonfield spent approximately \$11,360 per student, compared to the state average of \$12,150 per student, and lower than neighboring districts except one. (*See Appendix 2.*)

Haddonfield also spends considerably less per pupil than many of the other top New Jersey high schools. Haddonfield’s \$11,360 per student in 2006-2007 compares to \$14,744 per student for *New Jersey Monthly*’s top-ranked McNair Academic in Jersey City and \$13,241 per student in West Windsor/Plainsboro. (*See Appendix 2.*)

In this climate of minimal state funding and the high burden of municipal, school, state and federal taxes, Haddonfield continues to have high expectations for the quality of our children’s education. All of these factors served as a backdrop to the work of the CBAC, which proceeded with the following mission: to advise the BOE on ways to minimize the tax burden associated with funding Haddonfield public schools by identifying incremental revenue and reducing expenses without negatively impacting the quality of education in the near or long term

Approach

Since its inception the CBAC has met monthly with the district Superintendent and Business Administrator, and the BOE President and Vice President. The CBAC examined district appropriations, expenditures and financial audits and reviewed the budget process and current cost cutting initiatives. The committee presented the district administrators with a set of 25 questions regarding the district’s financial situation. The answers provided by the district administration and the BOE provided additional information regarding the district’s finances. (*See Appendix 3.*)

Initially, the CBAC did not intend to address issues of compensation because it is subject to many State mandates and existing contracts. However, given the current state of the economy, committee members felt compelled to examine the compensation of district employees, as this represents the largest percentage of district expenses.

Within the larger committee, two subcommittees were formed. The first developed ideas for alternative revenue enhancements. The second explored potential savings in the areas of shared services and cost reductions and made recommendations regarding visibility and transparency. These subcommittees, under the direction of team leaders, met outside of the regular CBAC meetings to more fully investigate these areas. Subcommittee findings and recommendations were discussed and approved by the committee as a whole. CBAC recommends the following steps to be taken by the BOE.

Alternative Revenue

Findings

The district is currently engaged in a number of revenue-generating activities.

- Tuition students from outside the district are currently accepted into the middle school and high school, as well as the preschool. For the 2008-09 school year, tuition students at the high school brought in \$270,000, while tuition students in the preschool program brought in \$62,000.
- Professional development: the district offers professional development seminars to out-of-district educators. This year the professional development days were moved from February to November, and classes were promoted to teachers in other districts. Approximately 175 teachers from other districts took advantage of this opportunity, for which the district was paid a total of \$1,360. The district kept the charges low this year to increase interest and, as a result, raised a minimal amount this year. It is anticipated that, as word spreads of the availability of these offerings, the district will be able to raise the price on the seminars and generate even further revenue.
- Reading Recovery training site: the district trains 67 teachers from various districts across the region in reading recovery. The district is paid by the sending districts, resulting in income of \$46,900.
- Public-private partnerships: various citizens' groups have undertaken projects to benefit the schools, such as the group raising funds for the high school auditorium. PTAs have recently donated approximately \$37,500 for technology support and building improvements.
- Board members and administrators have opened talks with New Jersey Department of Education officials in order to position the District as a leader in innovation educational efforts and thus be eligible for grant funding. This is a long-term, ongoing effort.
- Board members and administrators have met with legislators to educate them on the needs of the district and address funding issues. This is also a long-term, ongoing effort. Lobbying efforts have likely reduced some of the proposed cuts in state funding.

Recommendations

The CBAC recommendations regarding development of alternative revenue sources fall into three general categories: leveraging-existing services, new funding, and new business opportunities/fee-based services. Very preliminary estimates, based on research into what other districts have done, indicate that the district could realize an additional annual revenue of approximately \$3 million over the next three to five years through implementation of these recommendations. It is important to note that increases are anticipated to build over several years rather than provide a quick infusion of revenue, and some estimates are speculative depending on successful grant applications and sufficient demand for services.

Leveraging existing services

- *Tuition students.* The district could strengthen efforts to increase and maintain a steady population of tuition students at the middle and high schools. These schools are both operating under capacity; the high school can currently accommodate approximately 40 additional students, and the middle school can accommodate an additional 30 students. Therefore, an increase in students does not equate to an increase in cost, making the tuition payments virtually entirely profit. At the current tuition rate, each tuition student at the high school generates \$11,000 for each year of attendance. Successfully reaching and maintaining capacity level could yield over \$700,000 annually. The ability to achieve this target will be a function of more aggressive marketing and the degree to which there is market demand.

In order to implement this strategy for the 2009-10 school year, the BOE authorized an Open House for potential tuition students that was advertised in local papers and held on November 18. The Board further authorized expenditures for the development of marketing materials for an ongoing public relations and awareness campaign.

- *Preschool enrollment.* Similarly, excess capacity exists in the district's inclusive preschool program. Maintenance of full enrollment in the program could yield an additional \$20,000 per year. To take advantage of this opportunity, the district would need to improve its marketing to families with typically-developing preschoolers.

In order to implement this strategy of maximizing enrollment to meet capacity, the CBAC recommends that the BOE recruit a volunteer committee of marketing professionals to support the administration in the development of an effective approach and materials.

- *Professional development.* Expand professional development offerings to out-of-district teachers. Now that the district's professional development week has been moved to November, additional opportunities exist to attract participants from

other districts. In addition, there may be ways to offer services through the district's partnership with the College of New Jersey and/or online initiatives.

As with #2, avenues for marketing and outreach should be explored.

New funding

- *Aggressively seek grants.* Many school districts are able to fund various projects through receipt of grant funds, both public and private. Haddonfield often has difficulty qualifying for such grants because many include a demonstration of economic need in order to qualify. To explore the possibility of increased grant funding for district projects and initiatives, the committee recommends that the district pursue several options to identify and compete for grants, including use of volunteer grant writers, partnering with the Haddonfield Educational Trust and/or PTAs to hire a part-time grant writer for an initial period of two years, and/or partnering with other districts in applications for grants.
- *Pursue corporate sponsorships.* The CBAC also considered the use of corporate sponsorships to increase funding to the schools. Such sponsorship can be small, such as a \$1,000 sponsorship entitling the sponsor to hang a banner, or significantly more substantial, such as in excess of \$100,000 to name a football stadium. Such sponsorships could be renewed annually.

Of course, some sponsorship already occurs in the district, such as placement of advertising by local businesses and professionals in programs for school drama productions or athletic events. The district could explore additional ways through which corporate sponsorship could be used to increase funding, taking care to ensure that any sponsorship program be in accord with the curriculum and acceptable to the community. The committee recommends that the BOE recruit volunteers to work with a Board member on identifying and contacting corporations that might have an interest in such a sponsorship.

- *Build development capability.* The district could also benefit from additional "development" capabilities, such as reconstituting the Haddonfield Educational Trust as an educational foundation to initiate an annual fund and capital campaigns among alumni, residents and foundations. Research shows educational foundations to be steady and significant sources of additional income for districts with socioeconomic profiles similar to Haddonfield's. The CBAC recommends that the BOE explore this possibility further.

New business opportunities

- *Monetize existing services.* An area that is ripe for development of new business is marketing Haddonfield's educational programs and services beyond the district. Although the district currently markets beyond its borders to attract tuition students, and the CBAC recommendation is to expand that outreach, the

programs themselves could be offered on a larger scale in a more targeted manner, and for a fee, to other districts that do not have the resources to offer certain classes or programs to their students.

- *Create new service offerings.* Through the expansion of “e-learning,” the district could enable other districts to send students to Haddonfield courses that they might not be able to take in their home districts, such as various Advanced Placement courses. Online courses and webcasts could be offered to other districts and homeschoolers and could ultimately be expanded beyond the State or even the country.
- *Become a “Lightship” district.* Haddonfield could also reposition itself as a “lightship” district – an innovative development district that would function as an incubator for educational innovation that can be extended into other districts by generating interest in Haddonfield as a center for excellence in education. Haddonfield educators could assist in the development of curriculum and programs for other districts. Haddonfield classrooms could serve as pilots for new programs, learning laboratories, and demonstration centers.

The CBAC believes that this is an important idea that will place the Haddonfield School District at the forefront of changes in education. Such a capability is likely to attract interest from corporations interested in funding innovative ideas and from highly-qualified educators looking for a challenging and rewarding district in which to teach. Additionally, it may enable the district to be more competitive for public grant funding. The federal Department of Education recently published its notice of final discretionary grant priorities for fiscal 2009, in which it re-established projects that support high-quality professional development for secondary school teachers to help these teachers improve student academic achievement as one of its priority funding areas. (*Federal Register*, Vol. 73, No. 226. Nov. 21, 2008.) Successful rebranding of Haddonfield School District as a “lightship” district would change the image of the district from simply a wealthy “J” district to a resource district for other school systems.

To move forward with development of new business opportunities for the district, the CBAC recommends recruitment of a committee of business and educational professionals to support the administration and BOE in developing concepts, business case, contacts and a long-term plan.

Suggestions considered unworkable or lower probability

During the course of the CBAC’s work there were alternative revenue suggestions that were considered, but ultimately determined to be infeasible or likely to result in less of an effect on the district’s finances. One such consideration was offering full-day kindergarten, charging tuition for the extended (second) part of the day. Upon examination, however, the committee determined that State law prohibits charging

residents for such programs within the public schools. The only way to proceed with this suggestion would be to ask the State to reconsider the law and regulations surrounding it.

Another suggestion was to offer after-school enrichment programs for which a fee would be required. However, such programs would compete with Haddonfield Child Care (HCC), the nonprofit group that has provided after-school care for Haddonfield public school students for the past 25 years. HCC does not currently offer child care during school holidays or breaks, so the CBAC discussed this possibility briefly. However, both of these ideas were deemed infeasible because the revenue potential is not significant enough to warrant the required investment.

Shared Services

Findings

The district is currently involved in many shared services arrangements. Savings from these shared services amounts to approximately \$200,000 over the past two years.

- Joint purchasing consortium with Ed-Data Services for purchase of supplies (savings of \$130,000 over the past two years)
- Transportation partnerships with neighboring districts and use of the Camden County Educational Services for Cooperative Transportation
- Energy management program with ACES consortium for gas and electric (savings of \$20,000 last summer as a result of their recommendation regarding air conditioning; anticipate additional estimated savings to total \$50,000)
- Property and casualty insurance through Burlington County Joint Insurance Fund
- Consortium for E-rate telephone costs, a government program that reimburses the district for telephone costs
- Magellan Hill Technology program for communications
- South Jersey Technology Partnership for computer technical assistance
- Shared service relationship with the Borough and the library

Recommendations:

The committee recommends that the district explore further sharing of services with other school districts and the Borough in the following areas:

- *Continue to seek joint health insurance purchasing options.* Due to fluctuating usage rates and costs, the district should reevaluate its health insurance purchasing mechanisms on an annual basis in order to secure the most cost effective plan.
- *Continue and expand opportunities for shared services with the borough, including maintenance.* The district Business Administrator and the Borough Administrator should meet on a regular basis to explore areas for shared services in order to reduce overall costs to taxpayers.
- *Expand transportation efforts through Colonial Conference sports transportation sharing.* The district should explore options for more advantageous scheduling of

athletic competitions among the Colonial Conference teams and/or sharing of transportation with other districts within the conference.

- *Consider sharing the Athletic Director role with other districts*
- *Keep pace with evolving energy technology, including sharing energy sources with other districts or entities, to realize long-term savings*
- *Explore and develop relationships for the sharing of information technology (IT) services*

Cost Reductions

Findings

The district is also currently making efforts to control and/or reduce costs.

- Seeking bids for alternative health insurance plans
- Staffing cuts (reduction of \$198,000. in the 2008-09 budget)
- Conducted an energy audit and plans to explore additional energy efficiencies.
- Using maintenance staff for services previously outsourced
- Bidding some professional services

Recommendations

Although there have been many cost reductions realized through the efforts of the BOE and the district in order to minimize budget increases, the CBAC believes that there are additional areas that could be explored for additional savings. Recommendations fall into three categories: privatization, efficiency, and compensation.

Privatization

- *Solicit proposals from private firms to outsource custodial services*
- *Consider alternative approaches to food service, including stopping lunch service at the high school. (Only 19% of students used the high school lunch service last year.)*
- *Utilize Drexel's infrastructure to expand the district's IT capabilities (discussed below)*

Efficiency

- *Expand paperless classrooms and administrative work environment.* By utilizing technological capabilities to perform more tasks through automation or online, the district can save supply and labor costs in the classroom by reducing the need for paper copies and manpower to perform processing. For example, according to a Drexel study of its own check draft process, the approximate cost per check issued is \$250.00. The district issues approximately 6,000 checks per year. Assuming a similar per check cost, automating the process could save \$1.5 million.

- *Contract for a backend process and/or efficiency review.* This will help the district determine appropriate levels of staff. Although such an effort would require an initial outlay of funds for performance of the review, the savings realized through increased efficiencies will recover those costs.
- *Investigate renewable energy options, including use of roof top solar panels.*

Compensation

With regard to total compensation, the committee recognizes the need to remain competitive and cost conscious. The current economic climate is negatively impacting salaries and benefits across all industries, to an extent that has not been experienced in decades. Therefore, the committee recommends the following measures to be explored and phased in, recognizing contract obligations and the BOE's high regard for staff and employees. Projected savings over a four year period could amount to over \$4-5 million.

- *Salary cap for clerical and administrative workers.* A salary schedule should be developed that would provide for the highest salary payable for a particular position.
- *A one-year salary freeze for non-union employees, effective end of current fiscal year and union employees, effective at the expiration of the existing contracts.* Many employers, both public and private, are freezing salaries in response to the recent economic downturn. Although this is not a pleasant alternative, it nonetheless reflects the reality of the current economic climate. Therefore, the committee recommends that the BOE temporarily freeze salaries.
- *Implement a phased premium sharing of health benefits for all employees* Premium health benefit sharing could potentially save the district over \$4 million over the next four years. Implementing deductibles, and co-pays for all employees would create additional savings. (These savings estimates assume a 15% increase per year in the cost of benefits.)

Increased Transparency and Visibility

As discussed above, the environment leading to the formation of the CBAC was one in which doubts regarding the best use of district funding divided the borough. Therefore, the committee recommends that the BOE take steps to increase the transparency and visibility of the district finances. The scope of information available on the district website should be increased to encompass more financial data. Initially, the district's check register (excluding salary data) should be posted, to enable the citizens to view the district's income and expenditures, and to better understand the organizational structure, staffing and salaries. Further in the future, the information could be increased to include, for example, results of the process/efficiency study, Requests for Proposal (RFPs), bids received, cost comparisons of any referendum work, and bond expenditure summaries. The CBAC suggests that any community questions regarding these issues be addressed at an open forum during a BOE meeting.

Additional Recommendation for the Future

In addition to the revenue enhancements, shared services and cost reductions outlined above, the CBAC, in the course of its work, identified one other important area worthy of attention.

Drexel Partnership

The CBAC Chair has initiated discussions with Drexel University regarding a shared IT project that could allow Haddonfield to realize significant future cost containment and revenue generation. The CBAC recommends that this effort be accelerated because it can enhance the efficacy of many of the recommendations outlined above in this document.

Drexel has a proven track record of IT outsourcing support to institutions of higher education. The University also works with the school district of Philadelphia, where it hosts the Microsoft School of the Future. Drexel's brand may enhance the district's ability to recruit tuition students as well as attract highly qualified teachers who would welcome the opportunity to teach in a district with the capabilities afforded by such a partnership.

Such a partnership would provide the IT engine to enable Haddonfield to evolve into a "lightship" district, as discussed above. This could attract additional grants, state funding, and corporate donations.

In addition, such a partnership would reduce the district's expenditures on its IT capital budget for backend office computing, allowing the district to focus on learning technology applications in the classroom itself. It would also provide the infrastructure and resources to host online educational initiatives undertaken by the district.

The BOE President, district Superintendent and the committee Chair are reviewing the options offered through this project and will report on possible actions at future BOE meetings and in other community communications.

Challenges Facing the District

Throughout the coming years, the CBAC recognizes that there are a number of challenges that will face the Board, the administration and the community, including

- Teacher contract negotiations to be held in 2009
- Maintenance and upkeep of buildings
- Updating technology as necessary
- Impact of economic downturn on taxpayers' ability to absorb even minimal increases in taxes
- Continued limited or reduced state funding
- State cap of 4% on school tax increases

- Possibility of the need for a second budget question within the next three years
- Need to prioritize economic decisions as borough and district issues impact tax levels
- Possible need to absorb additional students if development takes place at Bancroft or PATCO properties

Conclusions

Although it will clearly require some changes to the way the district is currently run, the CBAC believes that it is possible for the Haddonfield Public Schools to operate in a more cost effective manner, while maintaining the tradition of excellence in the public school system.

We urge the Board of Education to further investigate and, if appropriate, act upon the recommendations made in this report to increase revenue, increase shared services, and reduce costs. In addition, we further recommend that the BOE take steps to continue the openness in the budget process and visibility of the district's finances that was begun in the last budget cycle. The CBAC also advocates development of the Haddonfield Public Schools into a "lightship" district that can serve as a resource for other school districts and, at the same time, optimize district educational and technological capabilities.

Finally, the Committee recommends that all ideas in this report be viewed with the focus on the community's commitment to use its limited resources in the classroom and for the benefit of Haddonfield's children.

Appendix 1

Comparisons of State Funding per pupil in 2007

Haddonfield	\$ 739
West Windsor/Plainsboro	\$1027 (Nearest “J” district)
Maple Shade	\$4,352
Haddon Heights	\$2,161
Haddon Township	\$4,657
Collingswood	\$6,836
Mt. Holly	\$11,675

Appendix 2

Comparative Costs per Pupil 2006-2007*

McNair Academy	\$14,744	(<i>New Jersey Monthly</i> ranked #1)
West Windsor/Plainsboro	\$13,241	
Collingswood	\$13,157	
Lenape	\$12,773	
Haddon Heights	\$12,413	
State Average	\$12,150	
Cherry Hill	\$11,947	
Moorestown	\$11,448	
Haddonfield	\$11,360	
Haddon Township	\$11,291	

*It should be noted the “full cost” for each district is actually higher. The 2006-2007 figures are adjusted to exclude debt service and transportation, creating a level playing field for more effective benchmarking.

Appendix 3

CBAC's 25 QUESTIONS with DISTRICT RESPONSES

1) Our projected budget increase for 2009/2010 is around 7%-8%. What offsets is the BOE planning to lessen the increase?

See answer to question 2, below.

2) What is the BOE's projected budget increase for 2009/2010 and what steps is the BOE taking to lower the expense increase?

- We will work within the 4% budget cap.
- Retirees –approximately \$95,000 savings
- Shopping for alternative health plans
- Energy audit
- Savings from 07-08 --\$320,000 –less than 1% of total budget –in reserve
- Program and Staffing cuts/realignments will be considered
- CBAC's help in securing alternate revenue and finding cost savings

3) What is the cost of the preschool/after school program including all full and part time staff? How does this compare to projected revenue of \$70,000? Is the \$2,000 charge per student sufficient to cover expenses or should it be raised?

- We do not offer an after school program
- Cost of the preschool program is \$320,000 –mandated
- The special education program is mandated and must include regular education students. Permitted to charge regular education students only.
- \$70,000 offsets the costs of the program and provides a service to Haddonfield Residents

4) When will the energy efficiency program be implemented? Will it be just for the classrooms or for every area of the schools and administration?

- October is the anticipated date for presentation to the Board, but we have already started training for implementation
- Implementation will be in every operational area that they identify.

Savings will help to negate the significant increases we have experienced and will continue to experience.

5) What do we charge students/parents for summer school? Should we? Would it be cheaper to pay another district for our students (versus the \$194,700 projected expense)?

- The summer program is a mandated special education program and by law we may not charge parents.
- We do not currently offer any regular education programs.
- We do offer parent paid enrichment programs –pay for play.

Good idea to investigate to see if we can work with neighboring districts.

6) What makes up the \$359,300 in budgeted professional services? Have these been competitively bid?

- Not all professional services –the title mandated by state –we plan on reviewing the request for proposal process this year –January 2009.
- Professional Development of faculty and staff --\$33,500
- Health Services --\$1,000
- Training and Library Educational Media --\$18,300
- Legal --\$90,000
- Auditor --\$27,000
- Purchased Technical Services --\$14,000
- Communication/Telephone --\$112,500
- Insurance for students --\$25,000
- Postage --\$13,000
- Repair of phone, computers, copiers, --\$25,000

7) Can we have an organization chart with numbers of full and part staff by function (administration, maintenance, secretarial, operational, teaching, support staff, etc).

See Handout (attached at end)

8) What are the 2008-2009 salaries of each Administrator and secretary.

See Handout (attached at end)

9) What makes up the \$274,900 in "other employee benefits"?

- Mandated state pension costs for public employee retirement system (PERS)

10) On E-6 in the "Appropriations" section there is \$250,00 for cleaning repair and maintenance service (07622), what are the components of this budgeted expense?

- Gym floors, roofing, plumbing, electrical, HVAC, fire alarm systems, security systems, maintenance on all equipment, all projects
- Requests for proposals are received every year for these items.

11) On E-6 there is an expenditure of \$145,000 for rental of land/building (07629) - what is it?

- Equipment leases –computers and copiers

12) Provide a breakdown of \$577,645 in overall supplies.

We use Ed Data – purchasing consortium for all the purchases – saved approx \$130,000 over the past two years, which has been eliminated from the budget.

- PreK to 12 --\$283,350
- Special Education --\$22,000
- Instructional Support Program --\$495
- Extra-Curricular Activities --\$49,200
- Athletics --\$34,000
- Health Services --\$21,700
- Central Office and Board --\$9,500
- Office Supplies Schools --\$115,250
- Library Supplies --\$60,750

13) Provide E-3 provide a breakdown of \$662,350 in athletic expenses.

Student Athletes

HMHS – 918

HMS – 379

- Salaries --\$516,350 –reduced 5% from 07-08
- Referees and Purchased Transportation --\$98,000
- Supplies and Materials --\$34,000 –reduced 37% from 07-08
- Reconditioning of equipment --\$14,000

14) On E-2 provide a breakdown of \$319,575 of extra curricular activities.

Student Contacts in Activities

HMHS – 3510 students

HMS – 875 students

Elementary – 340 students

- Salaries --\$270,375 –5% reduction from 07-08
- Supplies and Materials --\$49,200 –5% reduction

15) What is the mean salary of a teacher? (not the median)

Average Salary

2005-2006 school year –\$65,600

2006-2007 school year –\$62,900

2007-2008 school year –\$62,700

2008-2009 school year –\$61,900 approx

16) Why not make policy of only one assistant coach for every sport?

- Safety and supervision
- No cut policy

17) For employees the cost of partial tuition is \$107,964 -why not increase from only 25% of cost? The cost to the taxpayer is \$323,892.

- Good item to consider for future negotiations
- Extra cash through tuition to the district for open seats

18) If teachers are bought out of the medical plan how long must they stay out?

- Teacher may opt out of the medical plan if they have alternate coverage – for a family opt out, district saves \$13,000/per employee
- They must stay out for a year unless they have a loss of medical coverage

19) What is the anticipated increase in health benefits costs for 2009/2010?

- Historically –15% or more –based on our usage rates
- For 2008-2009 we competitively bid health and prescription plans to 7 companies –took lowest bid
- We are currently reviewing alternate plans for 2009-2010

20) What is the total cost in salaries and benefits for the maintenance staff? And also for the operations staff? What do these people do specifically? Why can't the maintenance staff be outsourced?

- \$517,947 for six maintenance staff and a supervisor

Maintenance personnel are licensed professionals in one or more of these areas: electrical, plumbing, HVAC, boilers, and building construction

21) What is the base salary of administrators?

See Handout (attached at end)

22) What is the square footage of each building?

High School – 190,000
Central/Middle – 131,000
E Haddon – 47,000
J. F. Tatem – 46,000

23) Why not "cap" salaries of administrative, secretarial and maintenance staff? These salaries are in many cases higher than the public sector where the "work year" is longer. Their total compensation (medical, pension, post retirement medical, tenure, sabbaticals etc) are much higher than public sector employees especially when you consider that pensions are indexed for inflation so they grow every year for which they contribute a tiny amount.

- Raises were 3.1% this past year.
- All are 12 month employees.

24) 80% of employees nationwide have no pension plans but instead have nothing at all or a 401k with some contribution by the employer. Employees typically can not get their pensions until 65 without major payment penalties. The pension plans provided by NJ are very rich plus they growth with inflation every year (for example an employee can retire at 55 or ten years before his public sector counterpart without a penalty plus his pension payment grows as long as he/she are alive). This major compensation should be considered during contract negotiation. All salary and benefit programs should be compared to the public sector instead of just against other school contracts.

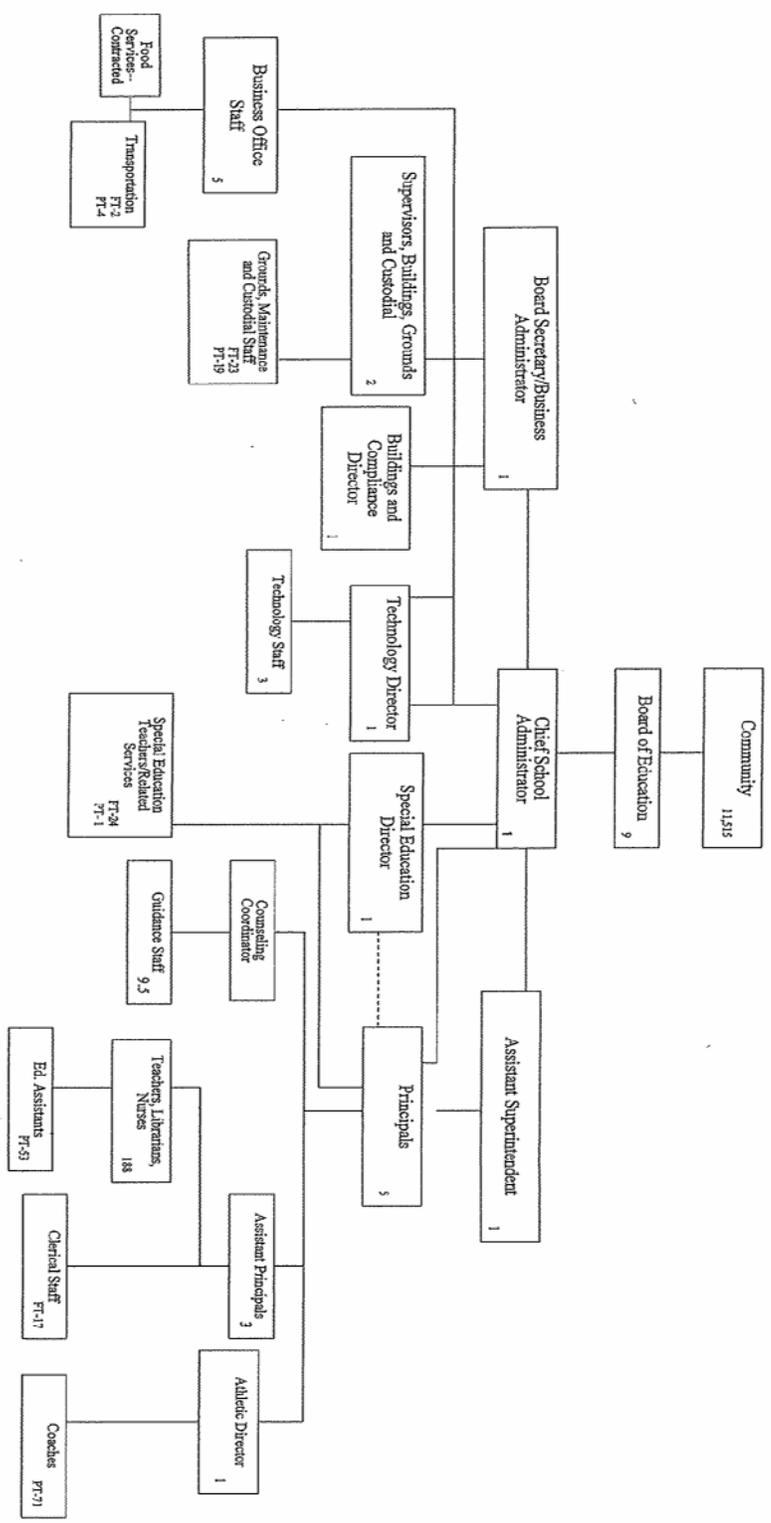
Haddonfield participates, as required by law, in the State Pension System. The State of New Jersey sets the standard for the level of employee contribution. Currently all certificated and non-certificated staff have 5.5% of their pre-tax salary deducted from their pay for their pension.

25) Have the dependents on the medical plans been checked recently to make sure they are still appropriate?

Checked yearly, last check date –July 2008

Revised 9/11/08

HADDONFIELD PUBLIC SCHOOLS Organizational Chart



Name	Position	2008-09 Salary
Alan Fegley	Superintendent	\$155,250
Dyanne Kerecman	Assistant Superintendent	\$141,400
W. Andrew Hall	Business Administrator	\$134,550
Michael Wilson	HMHS Principal	\$127,300
Noah Tennant	HMS Principal	\$117,840
Gino Priolo	Tatem Principal	\$120,510
Roger Bowley	Central Principal	\$108,000
Craig Ogelby	E. Haddon Principal	\$111,780
Robert Paul	HMS Assistant Principal	\$102,740
Sandra Horwitz	Director Compliance	\$ 93,920
Bonni Rubin Sugarman	Special Education Supervisor	\$143,740
John Miller	Technology Director	\$103,500
Leftaris Banos	Athletic Director	\$ 89,010
Judy Dorfman	Guidance Supervisor	\$ 99,770
Nick Baker	Dean Of Students HMHS	\$108,740
Richard Gendaszek	Technology	\$ 49,170
Nick Paradiso	Head of Maintenance	\$ 81,500
Rick Sparks	Grounds Director	\$ 49,990
Carol Dailey	Superintendent Secretary	\$ 63,580
Susan Weber	Personnel Secretary	\$ 55,550
Cindy Page	Assistant Superintendent Secretary	\$ 44,100

Name	Position	2008-09 Salary
Gerri Mornell	Assistant to BA	\$ 64,570
Lucille Martine	Secretary	\$ 46,300
Senait Tefara	Secretary	\$ 51,350
Barb Kelley	Accounts Payable	\$ 58,410
Nancy McCabe	Treasurer	\$ 3,900
Arlene Bell	Payroll	\$ 53,820

Total percent salary increase from 2007-08 to 2008-09 was 3.1%