

News from
the Haddonfield
Board of Education

SCHOOL REPORT



The Board of Education discussed and approved Dr. O'Brien's recommended draft budget for the 2007-08 academic year during a public meeting on March 26.

On Tuesday, April 17, the community will vote on whether or not to approve this budget. The information presented here is offered in an effort to help inform that vote.

The Board feels strongly that the budget adoption process must be an open and forthright community conversation. Further details, and the budget itself, can be found on the District's Web site: www.haddonfield.k12.nj.us.

Those who have questions or concerns are encouraged to contact the Board Office or members of the Board.

● THE BOTTOM LINE

2007-08 Operating Expenses = \$30,108,538

- Increase over last year's budget = \$1,203,189 (4.16%)
- Last year's budget increase was \$1,472,103 (5.332%)

2007-08 Debt Service = \$2,026,850

("Debt Service" refers to the money in the proposed budget required to pay down existing debt from previous bond referendums.)

- Increase over last year's budget = \$48,320 (2.44%)
- Last year's increase was \$537,587 (37.3%)

Total Budget Increase = \$1,251,509* (4.05%)

- Last year's increase was 6.9%. *including debt service

State Aid = \$1,610,445

- Increase over last year's State Aid = \$46,906 (3%)
- Haddonfield's first increase in State Aid in five years

School District Taxes = \$29,600,727 (92% of budget)

- (Taxes = Operating Expenses – State Aid – Federal Aid)
- For a property assessed at the Borough average of \$220,000, the School District portion of the property tax bill will increase by \$218.32 (3.61%), from \$6,052 to \$6,270
 - Last year's tax increase was 5.8%

● BUDGET HIGHLIGHTS

The 2007-08 Budget Proposal Includes:

- New elementary world language program
- New High School art program
- Commitment to maintaining elementary class sizes
- Cost-saving initiatives in supplies, energy, and benefits
- New revenues from additional tuition students
- New revenues from additional special education grants
- Continued commitment to educational excellence and fiscal responsibility.

● BOARD OF EDUCATION CONTACTS

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● SALARIES & BENEFITS DRIVE BUDGET

Budget Category	% of Budget	% Increase in Category
Salary	63.80%	4.56%
Benefits	15.30%	13.26%
Debt	6.57%	3.20%
Maintenance, Transportation	3.97%	- 8.15%
Special Education Tuition	2.95%	4.97%
Energy	2.40%	0.03%
Supplies, Textbooks, Materials	2.25%	- 16.16%
Purchased Services	1.94%	0.01%
Other	0.82%	- 16.62%
Total	100.00 %	

● BUDGET OVERVIEW

Most of the school budget is consumed by fixed costs in salaries, benefits, and debt service (85.6%).

The recently negotiated agreement with the Haddonfield Education Association calls for a 4.75% teacher salary increase next year. This agreement addresses need to keep our salary levels competitive with other districts and maintains the fair and balanced salary guides achieved in the last agreement.

When retirements and new hires are taken into account, next year's salary budget is projected to increase 4.56%. Increased benefits costs, meanwhile, continue to put a strain on the budget, as they are projected to increase by over 13%.

Other costs have been managed aggressively. Despite increases in energy costs, this line item remains essentially unchanged (.03% increase), thanks to an energy management program to be initiated in the near future. Similarly, the budget for supplies has been cut 16%, thanks to the District's participation in a joint-purchasing consortium with other districts. The 16% reduction in "other" costs is due largely to our aggressive management of overtime and similar costs.

Educational research has continually shown that small class sizes are integral to student achievement. Hence, one of the key priorities of the budget is to retain the current average elementary class size. While several elementary classes will remain as high as 25 students next year, the average class size within all three elementary schools is projected to be below 21 students. To achieve this end, the budget calls for the hiring of an additional 5th grade teacher at Tatem School. Without this hire, 5th grade classes at Tatem would have over 30 students in each room.

● BOARD OF EDUCATION ELECTION

Three candidates to be elected for 3-year terms:

- Lever 1 – Cheryl Laney
- Lever 2 – Steve Weinstein
- Lever 3 – Joseph Ehrhardt

Election Day: Tuesday, April 17

Polls open: 7am to 9pm

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● NEW PROGRAMS

Thanks in large measure to the cost savings realized through the various initiatives, the 2007-08 budget calls for two new programs intended to enrich the program offerings to the students of Haddonfield.

High School Art Program

The budget includes the addition of a half-time art teacher at the High School. This new position will provide much-needed additional fine-art courses which will help students meet new state graduation requirements. This will also allow the District to better utilize the new art room at the High School, completed recently and funded by the passage of a previous bond referendum.

Elementary School World Language

The Board and administration believe strongly that the curriculum must prepare Haddonfield students for the challenges of a global economy. To that end, the proposed budget will implement a world language program for elementary students. A new teaching position will provide a fluency-based program in each elementary school, while providing a link to the existing middle school program.

● COST-SAVINGS INITIATIVES

Shared-Purchasing Consortium

The District recently joined a shared-purchasing consortium with 300+ other districts in New Jersey, New York, and Pennsylvania. By purchasing supplies and other educational materials in bulk, we will be able to cut next year's supply budget by 16%.

Benefits Savings

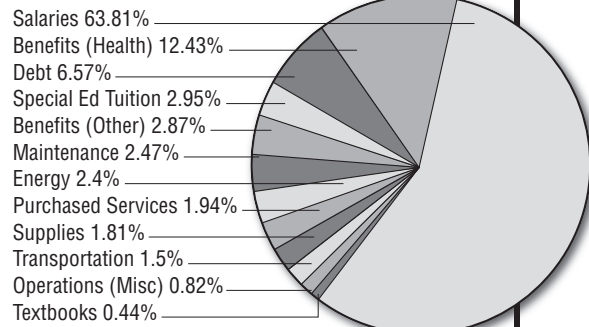
The new contract agreement with the Haddonfield Education Association enables the Board to control increases in the costs of benefits while continuing to provide an excellent benefits package.

One of the biggest problems with previous agreements was the existence of two different benefits packages – one of which was significantly more expensive. Under the new agreement, employees who need to stay in the more expensive package for personal or family reasons can do so, but they will have a financial incentive to move to the less expensive package. If they choose the more expensive package, they will have to pay part of the difference in cost, and their share will go up for each year of the agreement. Employees who are in, or move to, the less expensive package will have higher co-pays.

Energy Savings

Early next fall, the District will enter into an agreement with an energy consulting firm that will guarantee savings on energy costs. The consulting firm will aggressively manage the District's energy usage and take steps to limit consumption. Because this program has some start-up costs, the energy expenditures in next year's budget are virtually unchanged (despite an increase in rates); significant reductions in costs are expected in ensuing years.

● WHERE THE MONEY GOES



● ADDITIONAL REVENUE

While the greatest portion of revenue comes from local taxes, the proposed budget includes significant revenue from other sources. Together with the cost-saving initiatives, these sources will generate budget offsets of over \$1,000,000.

Additional Tuition Students

While no one grade at the High School will be allowed to exceed 210 students, the administration anticipates admitting nine additional tuition-paying students next year, generating revenue of nearly \$100,000 for the year, at negligible cost.

Special Education Grants

The Special Education Department continues to apply aggressively for grant funding. One recent award and one outstanding award will offset over \$300,000 in special education costs.

Reduced Fund Balance

("Fund Balance" is the official term for unallocated funds, commonly referred to as "surplus.")

The proposed budget calls for the spending of \$78,779 in fund balance funds to offset costs.

State guidelines specify that the Fund Balance should be maintained at 2% of the total budget. Since the proposed expenditure will drop the surplus to below 1%, new monies will have to be found in the future to replenish this account.

● SCHOOL DISTRICT BUDGET

The proposed budget for 2007-08 was approved by the County Superintendent in mid-March and unanimously approved by the Board of Education after a public hearing on March 26. It is now submitted to the registered voters of Haddonfield.

Local Tax Levy for the General Fund: \$27,815,753