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|--------------------------------|---|---------------------------|
| CITY COUNCIL OF THE CITY OF | : | |
| PATERSON, | : | |
| | : | |
| PETITIONER, | : | |
| | : | |
| V. | : | COMMISSIONER OF EDUCATION |
| | : | DECISION |
| STATE-OPERATED SCHOOL DISTRICT | : | |
| OF THE CITY OF PATERSON, | : | |
| PASSAIC COUNTY, | : | |
| | : | |
| RESPONDENT. | : | |
| _____ | : | |

SYNOPSIS

City Council appealed General Fund tax levy of \$41,877,208 certified by State-operated School District, first seeking reductions in the amount of \$2,979,560 and later reducing this amount to \$2,256,265.

Upon review of the appeal herein to determine the necessity of the disputed amounts for purposes of providing a thorough and efficient system of education, Commissioner determined that full amount of \$41,877,208 was necessary and directed that general fund tax levy stand as certified by the District.

July 28, 1997

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| _____ | : | |

Susan E. Champion, Esq., for Petitioner
Louis M. Flora, Esq., for Respondent

PROCEDURAL HISTORY

This matter was opened before the Commissioner of Education on April 19, 1996, through the filing of a Petition of Appeal by the City Council of the City of Paterson (City), seeking reduction of the General Fund tax levy certified by the State-operated School District of the City of Paterson (District) for 1996-97 school purposes pursuant to *N.J.S.A. 18A:7A-52(a)*. The proposed reduction of \$2,979,560 from the \$41,877,208 tax levy certified by the District was effectuated through cuts in ten (10) line items, for the reasons given in the City’s petition. As per the City’s Position Statement at p. 6 (see below), the City subsequently withdrew its recommended reductions in account number 11-110-100-101, Salaries for Preschool and Kindergarten, and account number 11-213-100-101, Salaries of Resource Room staff. Consequently, the amount of reduction in dispute is \$2,256,265, in a total of eight (8) line items.

An answer to the City’s petition was filed by the District on June 12, 1996. In accordance with established briefing schedules, on September 4, 1996, the respective parties filed position statements pursuant to *N.J.A.C. 6:24-7.8*, followed by responsive

statements on September 11, 1996 and September 13, 1996. On September 23, 1996, the City filed a final summation.

Upon review of the parties' submissions, the Commissioner determined that further information would be necessary to enable him to render a decision on the appeal. Accordingly, on January 14, 1997, the Bureau of Controversies and Disputes directed the parties to submit the more detailed calculations and documentation underlying their general contentions as to the District's salary accounts. On February 6 and February 7, 1997, respectively, the parties submitted their replies to this directive, and on February 13, 1997, the District submitted a response to the City's reply. Thereupon, the record of this matter was deemed closed.

The amounts in dispute in this appeal are as follows:

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|---|--------------------------------|
| <u>Tax Levy Certified by District</u> | <u>Tax Levy Sought by City</u> |
| General Fund \$41,877,208 | General Fund \$39,620,943 |
| <u>Amount of Proposed Reduction</u> | <u>Amount in Dispute</u> |
| General Fund \$2,256,265 | General Fund \$2,256,265 |

PROCEDURAL BACKGROUND AND STANDARD OF REVIEW

The statutory framework under which the budget of a State-operated school district is established differs from that applicable to other school districts. In contrast to other districts, the budget of a State-operated school district is set under *N.J.S.A.* 18A:7A-50, -51, and -52, which provide for current-year funding and require that, after comment and recommendation by the district board and public hearing, the State district superintendent shall fix the amount necessary to be appropriated and raised. Moreover, challenges to the education budget established by the district differ from budget appeals under other provisions of Title 18A in that *N.J.S.A.* 18A:7A-52(a) provides that the municipal governing body rather than the district board must initiate any appeal to the Commissioner, and the governing body must prevail in that appeal before any budget reductions may be effectuated. *Mayor and Council of the City of Jersey City_v. State-Operated School District of the City of Jersey City, Hudson County*, 92 *N.J.A.R.* 2d(EDU) 461, 474.

In rendering judgment relative to budget appeals, the Commissioner notes that the Constitution of the State of New Jersey requires the Legislature to provide for a thorough and efficient system of education (T&E). The Legislature by way of statutory scheme has delegated the responsibility for providing such T&E to local boards of education except in those instances where a State-operated school district is established as a result of continued failure to meet certification criteria. Additionally, the Legislature pursuant to *N.J.S.A.* 18A:6-9, 22-14, 22-17 and 22-37 has authorized the Commissioner of Education to review and decide appeals by boards of education seeking restoration of budgetary reductions imposed by local governing bodies, or, as in the instant matter, appeals by municipalities seeking a reduction in the tax levy certified by the State district superintendent of a State-operated school district. In reviewing appeals from local boards, the Commissioner must determine whether a district board of education has demonstrated that the amount by which a specific line-item reduction imposed by the governing body is necessary for the provision of T&E. *Board of Education of East Brunswick Township v. Township Council of East Brunswick*, 48 *N.J.* 94 (1966) and *Board of Education of Deptford Township v. Mayor and Council of Deptford Township*, 116 *N.J.* 305 (1989). In reviewing appeals from municipalities in State-operated districts, the Commissioner must “determine the amount necessary for the district to provide a thorough and efficient educational program including the implementation of the plan to correct deficiencies.” *N.J.S.A.* 18A:7A-52(a). For this purpose, the standard of review is “whether the City has demonstrated that the certification of the State Superintendent is in excess of that required to provide for a thorough and efficient education.” *Jersey City, supra*, 475.

Mindful, then, of the standard to be applied in this matter, the Commissioner makes determinations as set forth below.

GENERAL ARGUMENTS OF THE PARTIES

The City contends that the District will have a \$4.6 million surplus in its salary accounts, which have historically been overbudgeted. The City warrants that its reductions in these accounts were calculated using the actual 1995-96 budget year expenditure figures provided by the District in its April 2, 1996 audit report, which also

included projections for salary line-item expenditures to the end of the fiscal year. To these amounts, the City added the 4% salary increase negotiated by the District and factored in increases in appropriate line-items for substitute teachers, attendance bonuses/incentives, performance bonuses/incentives, retirement payoffs and bumping rights. The City also took into account expected changes such as reductions in staffing: one less teacher in Grades 1-5, 9 fewer teachers for grades 6-8, 14 teachers for grades 9-12, 30 teachers for Basic Skills and 11 teacher aides for other instruction, at annual salary levels of \$33,000 for teachers and \$20,000 for aides. The City affirms that the reductions proposed below will not adversely impact on the ability of the District to provide T&E or prevent implementation of any corrective action plan.

The City further makes two general arguments with respect to the District's method of calculating the amounts necessary for salary appropriations. First, it contends that the District's submissions evidence that in calculating the amount of each line item appropriation, it included the 4% salary increase on the salaries generated by the total number of positions in each line item, reaching a subtotal which is then reduced by the salaries of the excess positions. By such method, the City claims that the District is providing raises for people no longer employed. In that the 4% raises represent an expense for the upcoming 1996-97 fiscal year, the City queries how the District can justify appropriating such salary raises for positions which will not exist in the coming fiscal year. The City reasons that, in view of the fact that 326 positions are being eliminated for a salary savings in excess of \$9,000,000, the District has effectively budgeted and appropriated for an excess of \$360,000, representing 4% of the approximate \$9,000,000 in salary savings based on the reduced number of positions. (City's Position statement at p. 7)

The City next finds troubling the District's method of calculating those salary line items which involve the category of "Subs, Incentives, MAG, Contractual Items." (*Id.*) Here, the City argues that the costs for such items are normally related to the number of teachers in each specific category/line item. The City asserts that there should be a reasonable basis for the amount placed in such accounts. However, after examination, the City finds that the dollar amounts in such categories, when divided by the

number of employee positions in each such line item, results in “significantly varying dollar amounts per teacher/employee.” (*Id.*) For example, the City observes that, with respect to the line item for Salaries of Preschool/Kindergarten staff, the dollar amount is \$322,500 for 65 positions, resulting in a per position figure of \$4,961; whereas, the per teacher/employee dollar amount for the Salaries for Grades 9-12 line item is \$2,093. (*Id.*) Thus, the City concludes that the District’s calculations are arbitrary.

As to the District’s contention, *infra*, that the budget should be calculated based upon actual, rather than projected figures, the City agrees. However, the City argues that “obtaining accurate figures, properly segregated between the various accounts, is not always made easily accessible by the District.” (City’s Summation at p. 2) The City further adds that, even with the use of actual expenditures, “***past experience has shown subsequent budget expenditure requests by the District to often be inflated and unrealistic ***.” (*Id.*)

The District denies these contentions and avers that all monies budgeted are necessary in order to provide for T&E, as well as noting that the budget for FY 97 is less than that for FY 96. Additionally, the District asserts that the City did not adequately calculate for the inclusion of costs of substitute teachers, performance bonuses/incentives, attendance bonuses/incentives, retirement payoffs, bumping rights, and movement on the salary guide. (District’s Answer at p. 2) Nor, the District asserts, are the City’s estimates soundly based on the District’s historical experience. (*Id.*) The District contends that the City’s system of analysis “***is the most unsophisticated, unprofessional and inaccurate method of public finance budget preparation.” (District’s Reply at p. 1) It argues that the City’s calculations do not provide for the “real life” situations which arise in the course of a budget year, and affect district expenditures. The District maintains that actual, rather than projected, data should be used to set the 1996-97 budget. (*Id.* at p. 2) In support of its contentions, the District provides calculations for each line item reduced, demonstrating how the amount budgeted was derived.

The District further notes that the surplus referenced was dedicated to revenue in the 1996-97 budget so as to reduce the local tax levy, which has remained fairly constant. Finally, the District points to its efforts to find alternative methods of obtaining

revenue, devise operational efficiencies and reduce staff (privatization of custodial positions and abolition of a substantial number of positions) as an indication of the leanness of the District's budget.

SPECIFIC ARGUMENTS OF THE PARTIES

Disputed Line-Item Number 1

| <u>Line No.</u> | <u>Account No.</u> | <u>Description</u> | <u>Amount Budgeted</u> | <u>Amount Cut</u> |
|-----------------|--------------------|--------------------|------------------------|-------------------|
| 02520 | 11-120-100-101 | Salaries-Gr. 1-5 | \$25,772,008 | \$104,957 |

The reduction which the City proposes was calculated by using anticipated projected expenditure figures provided by the District at the time of the filing of the Petition based on figures contained in the March 19, 1996 Secretary's report and/or the April 2, 1996 audit report. The projected expenditure was \$23,700,726. Although the District's *actual* expenditures in this line item were \$24,279,212, the City maintains that the recommended reduction is appropriate. (City's Position Statement at p. 2) That is, the City reasons that, given the actual amounts expended in the account in the year ending June 30, 1996, and reducing said amount as per a single position, then adding the 4% contracted salary increase for the 1996-97 fiscal year, the City's recommended appropriation of \$25,667,051 *exceeds* that which is needed based on the aforesaid calculation. Moreover, the City contends that this figure includes appropriate costs for substitutes, attendance bonuses/incentives, performance bonuses/incentives, retirement payoffs and bumping rights, resulting in an approximate increase of 6% over the amount actually spent in this line item for the recently ended fiscal year. (*Id.*)

The District denies that the reduction of \$104,957 in this line item was proper. In so doing, it relies upon its calculation which begins with the number of positions at February 26, 1996 (including nine vacancies), adds costs for six vacancies to be filled and three staff to return from leaves of absence, applies the 4% negotiated settlement, reduces the amount as per the one full-time position to be eliminated, factors in bumping rights, reductions in force, substitutes, incentives, MAG and contractual items for a total of \$25,772,008.

Disputed Line-Item Number 2

| <u>Line No.</u> | <u>Account No.</u> | <u>Description</u> | <u>Amount Budgeted</u> | <u>Amount Cut</u> |
|-----------------|--------------------|--------------------|------------------------|-------------------|
| 02530 | 11-130-100-101 | Salaries-Gr. 6-8 | \$19,346,604 | \$ 89,864 |

The City notes that, as with the previous line item, the amount of actual year end expenditure as of June 30, 1996 (\$18,456,805) exceeded that which was projected in April of 1996 at the time of the filing of the petition (\$17,998,408). Again, the City, for illustration purposes, shows that by reducing the figure for the actual amount by the reductions in salary as per the elimination of nine full-time positions, and applying the 4% salary increase, the City's proposed appropriation is in excess of the needed amount, based on the above computation. (City's Position Statement at p. 2) Once again, the City affirms that this figure accounts for substitutes, incentives, etc. The City concludes that its recommended appropriation is an approximate 6% increase over the District's net costs for this line item and is more than adequate in view of last year's actual expenditures. (*Id.* at p. 3)

The District relies upon its calculations to conclude that the City's reduction in this line item is improper. The District starts with the number of positions at February 26, 1996 (including 10 vacancies), adds costs for 10 vacancies to be filled, applies the 4% salary increase, reduces the amount as per the nine full-time positions to be eliminated, factors in bumping rights, reductions in force, substitutes, incentives, MAG and contractual items for a total of \$19,346,604.

Disputed Line-Item Number 3

| <u>Line No.</u> | <u>Account No.</u> | <u>Description</u> | <u>Amount Budgeted</u> | <u>Amount Cut</u> |
|-----------------|--------------------|--------------------|------------------------|-------------------|
| 02540 | 11-140-100-101 | Salaries-Gr. 9-12 | \$17,866,368 | \$198,056 |

The reduction proposed by the City was calculated based upon the anticipated projected expenditures provided to it by the District last spring. While the actual amount of expenditures in this account was \$16,877,485, the City maintains that the reduction was proper. Again, the City calculates that even using the actual amounts expended in the subject account as the starting figure, its recommended appropriation

exceeds that which is needed to meet anticipated costs in this line item. Thus, the City submits that its figure is more than adequate in light of the actual expenditures for the 1995-96 fiscal year and further maintains that the proposed reduction can be made without adversely affecting the quality of education to the students in the District. (City's Position Statement at p. 3)

The District again relies upon its calculations to conclude that the City's reduction in this line item is improper. The District starts with the number of positions at February 26, 1996 (including 19 vacancies), includes costs for the 19 vacancies to be filled, applies the 4% salary increase, reduces the amount as per the 14 full-time positions to be eliminated, factors in bumping rights, reductions in force, substitutes, incentives, MAG and contractual items for a total of \$17,866,368.

Disputed Line-Item Number 4

| <u>Line No.</u> | <u>Account No.</u> | <u>Description</u> | <u>Amount Budgeted</u> | <u>Amount Cut</u> |
|-----------------|--------------------|--------------------|------------------------|-------------------|
| 04810 | 11-230-100-101 | Salaries-Basic Sk. | \$10,452,601 | \$296,605 |

The City reasons that, given the actual amount expended in this account in the 1995-96 fiscal year, and reducing said amount by the salaries for the 30 full-time positions to be eliminated, then adding the 4% salary increase, the result is indeed less than that which the City has appropriated. Thus, the City reasons that the District will not be adversely affected by the reduction in this account.

The District relies upon its calculations to conclude that the City's reduction in this line item is improper. The District begins with the number of positions at February 26, 1996 (including 8 vacancies), includes costs for the 8 vacancies to be filled, applies the 4% salary increase, reduces the amount as per the 30 full-time positions to be eliminated, factors in bumping rights, reductions in force, substitutes, incentives, MAG and contractual items for a total of \$10,452,601.

Disputed Line-Item Number 5

| <u>Line No.</u> | <u>Account No.</u> | <u>Description</u> | <u>Amount Budgeted</u> | <u>Amount Cut</u> |
|-----------------|--------------------|--------------------|------------------------|-------------------|
|-----------------|--------------------|--------------------|------------------------|-------------------|

| | | | | |
|-------|----------------|--------------------|--------------|-----------|
| 04900 | 11-240-100-101 | Salaries-Bilingual | \$ 2,867,142 | \$255,497 |
|-------|----------------|--------------------|--------------|-----------|

The City proposes a reduction in this account of \$255,497. Again, the City reasons that, given the actual amount expended in this account in the year ending June 30, 1996 of \$2,472,003, then adding the 4% contracted salary increase for the upcoming fiscal year, the City's recommended appropriation of \$2,611,645 well exceeds the amount which results from the aforesaid calculation which should be the amount needed for this line item. Further, the City notes that available remaining balance in the 1995-96 budget of \$256,362 in this line item. (City's Position Statement at p. 4)

Again, the District relies upon its calculations to conclude that the City's reduction in this line item is improper. The District starts with the number of positions at February 26, 1996 (including 5 vacancies), includes costs for the 5 vacancies to be filled, applies the 4% salary increase, factors in bumping rights, reductions in force, substitutes, incentives, MAG and contractual items for a total of \$2,867,142.

Disputed Line-Item Number 6

| <u>Line No.</u> | <u>Account No.</u> | <u>Description</u> | <u>Amount Budgeted</u> | <u>Amount Cut</u> |
|-----------------|--------------------|--------------------|------------------------|-------------------|
| 02640 | 11-190-100-106 | Salaries-Other | \$ 2,131,884 | \$392,015 |

The City again points out that the actual amount of fiscal year expenditures for this line item significantly exceeded that which was projected by the District. The City argues that it arrived at the designated reduction by using the projected expenditure amount, adjusted by the 11 excess positions, and applied the 4% salary increase. However, using the District's actual year-end expenditures as the starting point, the City's resulting figure would be \$1,899,041. Thus, the City reasons that its appropriation will not adversely affect the District.

Again, the District relies upon its calculations to conclude that the City's reduction in this line item is improper. The District starts with the number of positions at February 26, 1996 (including 7 vacancies), includes costs for the 7 vacancies to be filled, applies the 4% salary increase, reduces the amount as per the 11 full-time positions to be eliminated, factors in bumping rights, reductions in force, substitutes, incentives, MAG and contractual items for a total of \$2,131,884. Here, the District further notes that this

account provides for the base calculated salaries of both classroom instructional aides and the hourly calculated wages for lunchroom aides. The District argues that while the component relating to the base salaries can be calculated, the amount budgeted for lunchroom aides on an hourly rate of pay is estimated on a review of years of service for all hired staff and based upon average amounts of salaries paid over the past three or four fiscal years. The amount the District has budgeted reflects the ability to hire the same number of aides for the same number of hours at the rates of pay called from the contracts, less an already existing deduction of over \$200,000 to anticipated temporary vacancies. (District’s Reply at p. 3)

Disputed Line-Item Number 7

| <u>Line No.</u> | <u>Account No.</u> | <u>Description</u> | <u>Amount Budgeted</u> | <u>Amount Cut</u> |
|-----------------|--------------------|------------------------|------------------------|-------------------|
| 07370 | 11-000-290-220 | Social Security Contr. | \$ 2,715,717 | \$134,041 |

The City reduced social security contributions on the same basis and according to the same method as was employed to reduce salary line items above, using a F.I.C.A. withholding rate of 7.65 percent. The City asserts that the District apparently has not taken into account the reduction of the excess staff in its calculations. (City’s Position Statement at pp. 4, 5)

In reply to the District’s arguments, *infra*, the City finds that the District’s contentions as to the proposed increase in the social security wage base are misplaced in that such increases will affect very few, if any, nonteaching personnel covered by social security and for whom contributions are made by the District, rather than the State. The wages of such affected employees, the City continues, would not come up to the levels cited by the District. (City’s Summation at p. 3)

The District contends that the City has used a simplistic method of calculation which fails to account for actual staffing patterns and “real world” conditions. (District’s Reply at p. 2) The District adds that the City’s calculations further fail to take into account the increase in covered wages of 2 1/2%, from \$61,200 to \$62,700, which occurred on January 1, 1996. (*Id.*) Moreover, the District expects the social security wage base to further rise, resulting in an adjusted 4% increase during the second half of

fiscal year 1997. The higher rate, the District avers, will be applicable for the full year. The District further asserts that the City did not review increases or decreases in non-calculated salary accounts such as part-time employees, hourly employees, overtime pay and other types of salaries which are not based on calculated salaries, but are covered by social security. (*Id.* at p. 3) Thus, the District maintains that its figures are actual and accurate, and are based upon real staffing levels. (*Id.*)

Disputed Line-Item Number 8

| <u>Line No.</u> | <u>Account No.</u> | <u>Description</u> | <u>Amount Budgeted</u> | <u>Amount Cut</u> |
|-----------------|--------------------|----------------------|------------------------|-------------------|
| 07420 | 11-000-290-290 | Other Empl. Benefits | \$18,625,727 | \$785,230 |

The City proposes a reduction of \$785,230. Its appropriation represents a 9.3% increase for health insurance and related costs above the District’s cost basis for this line item at the start of the current fiscal year. The City argues that the District’s calculations include the 326 excessed employees, and its budgeted figure thus includes an artificially increased base amount. Again, the City notes a year-end surplus in this line item of \$356,193. As to the District’s assertions, *infra*, the City counters that the District’s reliance on a 12.2% rate of increase is misplaced in that this figure is accurate as to only one component of the various health benefit programs offered by the District to its employees. (City’s Summation at p. 3)

The District contends that the City’s calculations are based on erroneous assumptions, and provides in support a detailed analysis of these accounts and the manner in which budgeted amounts were derived. The District further refutes that it failed to properly account for the 326 excessed employees in its calculations. Moreover, the District alleges that a 9.3% increase in costs for health insurance is not a reasonable amount. The District affirms that the State of New Jersey, Division of Pensions and Benefits acknowledges that a 12.2% increase in rates is more reasonable, as this is the amount by which the premium will be increased. (District’s Reply at p. 3)

COMMISSIONER’S DETERMINATION

Upon careful review of the record of this matter, including the extensive salary information submitted in response to the Commissioner's request for further explanation and documentation, the Commissioner finds that the monies in dispute are, in fact, necessary for provision of a thorough and efficient system of education.

In so finding, the Commissioner expressly notes that the crux of this dispute was which party's method of salary cost projection provided a higher probability of accurately estimating the District's salary needs for the 1996-97 school year. The budgeting of salaries is not an exact science, as it must take into account such potentially uncertain factors as attrition, reductions in force and filling vacancies, which are exacerbated in a large urban district such as Paterson. The Commissioner also notes that the general method of salary cost projection employed by the City would be an acceptable one if applied to a more stable environment; however, review of the District's workpapers, facts, assumptions and methodology clearly indicates that circumstances were present which could not be equitably accounted for under the City's methodology herein. The Commissioner further notes the District's practice of inappropriately coding in regular K-12 instructional salary accounts all of its budgeted amounts, including special and noninstructional, in the areas of substitute services, performance incentives, sick incentives, class coverage, vacation buy-back, salary guide movement and retired sick pay. (Upon actual payment of these amounts, the District then reclassifies them under the applicable function.) As a result of this practice, actual expenditures and the original budget are not comparable. The City's methodology excludes the inappropriately recorded costs, which in turn creates a perception of overbudgeting. Thus, the Commissioner finds that the District's more elaborate methodology, having no material weaknesses, is the more appropriate methodology under the circumstances and is satisfied that the amounts included by the District in its salary accounts are necessary for provision of T&E, as are the concomitant amounts in the social security and health benefit accounts.

In view of the findings herein regarding coding, however, the District is directed to make forthwith the adjustments necessary to properly code amounts budgeted for substitutes, class coverage and salary guide movement under the function to which they pertain, to budget amounts for performance incentives, sick incentives vacation buy-

back and retired sick pay in Business and Other Support Services - Other Employee Benefits, and to budget cafeteria aides' salaries under the applicable teacher salary account, when this duty is performed by a teacher, and under the Maintenance of Plant Services - Salaries account when performed by noninstructional employees.

APPLICATION OF SURPLUS

In its advertised annual school district budget statement, the District projected an unreserved surplus of \$6,159,881 and allocated \$4,144,000 as revenue, leaving \$2,015,881 as undesignated unreserved surplus.

The District's annual financial report filed pursuant to N.J.S.A. 18A:17-10 (June 30 report) and the District's annual year-end audit report reveal that no additional surplus is available to fund District appropriations, and the Commissioner so finds.

SUMMARY

In summary, the Commissioner directs action on the City's proposed line-item reductions as set forth below. The Commissioner further notes that all line-item appropriations where reductions have not been approved are restricted in accordance with N.J.A.C. 6:20-2A.11(b)3.

| <u>Description</u> | <u>Account Number</u> | <u>Reduction Approved</u> | <u>Reduction Rejected</u> |
|------------------------------------|-----------------------|-------------------------------|-------------------------------|
| Salaries-Gr. 1-5 | 11-120-100-101 | -0- | \$104,957 |
| Salaries-Gr. 6-8 | 11-130-100-101 | -0- | 89,864 |
| Salaries-Gr. 9-12 | 11-140-100-101 | -0- | 198,056 |
| Salaries-Basic Sk. | 11-230-100-101 | -0- | 296,605 |
| Salaries-Bilingual | 11-240-100-101 | -0- | 255,497 |
| Salaries-Other | 11-190-100-106 | -0- | 392,015 |
| Social Security Contr. | 11-000-290-220 | -0- | 134,041 |
| Other Empl. Benefits | 11-000-290-290 | -0- | 785,230 |
| Total Line-Item Determinations: | | | \$2,256,265 |
| Tax Levy Certified by District: | | | 41,877,208 |
| Proposed Reductions Approved: | | | -0- |
| Additional Application of Surplus: | | | -0- |
| Total Tax Levy for 1996-97: | | | \$41,877,208 |

Accordingly, the Passaic County Board of Taxation is directed to let stand the tax levy certified by the State-operated School District of the City of Paterson for General Fund purposes of the 1996-97 school year. The District is directed to make such changes in its budgeting practices as are necessary to reflect proper coding practices as set forth above.

IT IS SO ORDERED.

COMMISSIONER OF EDUCATION

JULY 28, 1997