

Government That Works!

NEW JERSEY DEPARTMENT OF THE TREASURY

LOCAL GOVERNMENT BUDGET REVIEW

BORDENTOWN REGIONAL SCHOOL DISTRICT

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GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE

The Report of the Bordentown Regional School District

New Jerseyans deserve the best government their tax dollars can provide. Governor Whitman is committed to making State Government leaner, smarter and more responsive by bringing a common sense approach to the way government does business. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

Of major concern is the rising cost of local government. There is no doubt that local government costs, and the property taxes that pay for them, have been rising steadily over the past decade. Prior to Governor Whitman's taking office in 1994, the State had never worked as closely with towns to examine what is behind those costs. That is why she created the Local Government Budget Review (LGBR) program. Its mission is simple: to help local governments and school boards find savings and efficiencies without compromising the delivery of services to the public.

The LGBR utilizes an innovative approach combining the expertise of professionals, primarily from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a comprehensive management review and consulting service at no local expense. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

In addition, teams will also document those State regulations and mandates which place burdens on local governments without value added benefits and suggest, on behalf of local officials, which ones should be modified or eliminated. Teams also look for "best practices" and innovative ideas that deserve recognition and that other communities may want to emulate.

Based upon the dramatic success of the program and the number of requests for review services, Governor Whitman has ordered two expansions of the program in an effort to reach more communities and school districts. The second expansion will further increase program staff by nearly forty percent. The ultimate goal is to provide assistance to local government that results in meaningful property tax relief to the citizens of New Jersey.

THE REVIEW PROCESS

In order for a town, county or school district to participate in the Local Government Budget Review program, a majority of the elected officials must request the help of the review team through a resolution. There is a practical reason for this. To participate, the governing body must agree to make all personnel and records available to the review team, and agree to an open public presentation and discussion of the review team's findings and recommendations.

As part of each review, team members interview each elected official, as well as employees, appointees, members of the public, contractors and any other appropriate individuals. The review teams examine current collective bargaining agreements, audit reports, public offering statements, annual financial statements, the municipal code and independent reports and recommendations previously developed for the governmental entities, and other relative information. The review team physically visits and observes the work procedures and operations throughout the governmental entity to observe employees in the performance of their duties.

In general, the review team received the full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness, on the part of most, to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change or improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. In particular, the productivity enhancement values identified in this report do not necessarily reflect actual cash dollars to the district but do represent the cost of the school system's current operations and an opportunity to define the value of improving upon such operations. The estimates have been developed in an effort to provide an indication of the potential magnitude of each issue and the savings, productivity enhancement, or cost. We recognize that all of these recommendations cannot be accomplished immediately and that some of the savings will occur only in the first year. Many of these suggestions will require negotiations through the collective negotiation process. We believe, however, that these estimates are conservative and achievable.

COMMUNITY OVERVIEW

The Bordentown Regional School District is composed of three municipalities, Bordentown Township (Township), Bordentown City (City) and Fieldsboro Borough (Borough). The school district is governed by a Board of Education consisting of five members from the Township, three from the City, and one from the Borough, and one non-voting member from the New Hanover Township District, which sends students in grades nine through twelve on a tuition basis. The district has four buildings; two elementary schools, Clara Barton and Peter Muschal for grades K-6; MacFarland School for grades 7-8; and Bordentown Regional High School for grades 9-12. The following table provides the dates of construction and additions for each building.

SCHOOL	DATE CONSTRUCTED	RENOVATIONS/ADDITIONS	GRADE LEVEL
Clara Barton	1953	1995	K - 6
Peter Muschal	1953	1957/1963/1995	K - 6
MacFarland Junior High	1924	1946/1987/1995	7 - 8
Regional High School	1965	1988	9 - 12

Bordentown Regional School District and the respective municipalities are located at the northern tip of Burlington County and serviced by the New Jersey Turnpike, Routes 130 and 206, and Interstates 295 and 195. Bordentown enjoys easy access to the cultural and commercial opportunities of Princeton, Trenton, New York City and Philadelphia. The district has a total of 275 employees, (168 certified and 107 non-certified) and a K-12 enrollment in October, 1998 of 1837 students.

The area was settled in 1682 when Thomas Farnsworth, an English Quaker, moved up river from Burlington to make a new home for his family on a windswept bluff overlooking a bend in the Delaware River. Farnsworth's Landing, which was to become Bordentown City, became the center of trade for the region. Joseph Borden, for whom the town is named, arrived in 1717. By 1740, he had a line of boats and stagecoaches traveling between New York and Philadelphia.

The area became identified with revolutionary fervor, with patriots Frances Hopkinson (a signer of the Declaration of Independence), Colonel Kirkbride, Colonel Hoadland, and Thomas Paine in residence. In retaliation, the town was occupied by the Hessians in 1776 and pillaged and burned by the British in 1778.

Other famous residents reportedly included Joseph Bonaparte, ex-king of Spain and Naples and brother of Napoleon, and Clara Barton, who in 1843 started the first free public school in New Jersey in the one-room schoolhouse, still positioned on a site near the center of town. She later founded the American Red Cross.

The Borough of Bordentown was established in 1825 and was within Township boundaries until the Borough was chartered as the City of Bordentown and separated from the Township in 1867. Currently, the City has a land area about one square mile and a population density of 4,711 per square mile. In 1996, the City had an estimated population of 4,236, with an ethnic composition of 3,664 whites 616 blacks 10 American Indians, 24 Asian/Pacific Islanders, 84 persons of Hispanic origin and 27 others. The per capita income in 1989 was \$17,687, the median family income was \$48,429 and there were 277 persons in poverty. The median rent was \$530 and the median value of a single family home was \$102,600.

Bordentown City, with limited land area, is nearly fully developed with little space for increased residential development. Although there has been some recycling of neighborhoods with younger families moving in, the net result is expected to be minimal in terms of additional school enrollment.

The area that is now Bordentown Township was, for many generations, a part of Chesterfield and Mansfield Townships. An act creating Bordentown Township was approved in 1852. Today, the Township has a land area of 8.51 square miles and a density of 903 persons per square mile. In 1996, the Township had an estimated population of 7,764, with 6,998 whites, 444 blacks, 11 American Indians, 154 Asian/Pacific Islanders, with 237 persons of Hispanic origin and 76 others. The per capita income in 1989 was \$18,378, the median family income was \$50,524, and there were 402 persons in poverty. The median rent was \$545 and the median value of a single family home was \$129,200.

Bordentown Township surrounds the City on the east, with the Delaware River on the west. The Township is about two-thirds developed and recently emerged from a State-mandated sewer moratorium. Significant housing construction and population growth are now occurring, due to the completion of a new sewer plant. This growth in the Township is expected to have a significant impact upon school enrollments.

The Borough of Fieldsboro, which was settled in 1690, is situated south of Bordentown City and southwest of Bordentown Township. Overlooking the Delaware River, the Borough has a land area of one-quarter (.27) square mile and a population density of 2,130 per square mile. In 1996, the Borough estimated population was 614 persons, with 436 whites, 141 blacks, 10 of Hispanic origin and 2 other. The per capita income in 1989 was \$15,380, the median family income was \$44,286 and there were 19 persons in poverty. The median rent was \$494 and the median value of a single family home was \$89,300.

New Hanover Township, a sending district for high school students, has a land area of 22.28 square miles and a population density of 428.5 per square mile. In 1996, New Hanover Township had an estimated population of 8,080, with 5,857 whites, 2,914 blacks, 76 American Indians, 230 Asian/Pacific Islanders, and 985 persons of Hispanic origin and 469 others. The per capita income in 1989 was \$9,073, the median family income was \$31,000 and there were 199 persons in poverty. The median rent was \$449 and the median value of a single family home was \$127,100.

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
BORDENTOWN REGIONAL SCHOOL DISTRICT**

The Local Government Budget Review (LGBR) unit of the New Jersey Department of Treasury conducted an extensive study of the Bordentown Regional School District in response to a request of the Board of Education. Some 30 areas were reviewed, resulting in cost savings and/or managerial reform. Eight areas were recognized as best practices along with other commendations cited in the findings. The following is an executive summary of the findings and recommendations and dollar savings, as appropriate:

1. Comparative Analyses

Four comparable school districts were selected for statistical data to make many of the recommendations contained in this report. Information from other bench marking sources, such as NJ Department of Education publications, was also utilized.

2. Board Superintendent

The review team interviewed all board members and central office administrators and attended several board meetings. Board members expressed serious commitment to provide good quality education at a reasonable expense. School officials were commended for the cooperative and productive relationship, which has been established and maintained between the board of education, the superintendent, and board secretary.

3. Legal Fees

The district cost for legal fees was \$12 per student, in contrast with an average cost of \$18 for the comparison districts. The attorney does not provide employee negotiations services, which are contracted with a separate negotiations firm. The district pays \$150 per hour, which is an above average rate for school attorneys. However, the legal expense in 1997-98 totaled only \$20,991.

4. Auditor Fees

The district periodically obtains proposals from auditing firms and the current auditor presented the least expensive proposal.

5. General Administrative Cost

The current administrative staffing district-wide was found to be reasonable and the salary levels compared favorably with the salaries in the benchmark district groupings.

6. Instruction

At the time of the review, Clara Barton School had an average regular class size of 16.6 pupils and Peter Muschal School had an average of 19.6 pupils per regular class. The district should consider either redistricting the two “neighborhood” elementary schools to accommodate these students in fewer classes or combining or “regionalizing” K-6 enrollments into primary and intermediate schools with anticipated annual salary saving of \$92,500 to \$165,500.

7. Bilingual/English Language Services (ELS)

The district operates an ELS program with an enrollment of five to nine students. The district should consider providing new textbooks for bilingual students at a value-added cost of \$1,000.

8. Instructional Support

The district is commended for providing an extensive program of adult volunteers and community related programs for elementary and middle school children with a minimum of expense.

In view of the reported savings in the four comparable districts, Bordentown should consider strengthening its current attendance investigation field effort with a \$1500 value-added increase.

9. Management and Information System (MIS)

To attract and retain a qualified technology manager, the district should consider increasing the current salary by a value-added \$10,000 to \$15,000. To provide more adequate computer and network support, the district should employ college MIS students on a part-time basis at a value-added cost of \$15,840. Total value-added cost would be \$25,840 to \$30,840.

The district should consider establishing a more active technology committee to produce a more definitive technology plan for the near future. Computer purchasing practices, provision of virus protection, exploration of enhanced access to the Internet and more adequate maintenance of existing equipment are also issues for consideration.

10. Administrative Use of Technology

The district should consider contracting with the manufacturer for computer purchase order software. An electronic purchasing order system could eliminate the need for paper processing and multiple entries of school and district purchase orders and reduce one clerical position for a net cost savings of \$27,260.

11. Communications/Telephone

The district telephone costs were found to be 25% higher than the average for the four comparable school districts. Restrictions on regional, long distance and international phone calls and more effective monitoring of personal calls could produce \$13,232 in annual cost savings.

12. Photocopiers

The staff produces 481,000 copies per year at a cost of \$108,912. The district uses the State of New Jersey cost per copy contract, whereby, the district does not rent, lease or buy copiers, but, rather, purchases the photocopies.

13. Insurance

In order to continue benefiting from the existing competitive insurance market, the district should contact other Joint Insurance Funds for comparative bids for primary insurance.

The district should establish a safety committee, including the third party administrator and employees from each facility, to be responsible for periodic inspections and written reports on all safety issues and proposed corrective actions.

Since the existing workers compensation insurance is not subject to an audit, the district should petition the fund to change the non-audit feature of the plan.

14. Purchasing

The business administrator, who is a former purchasing agent in a larger district, obtains very good value for the dollars spent. The district works extensively with other government agencies to reduce purchasing costs by establishing joint, inter-local, or consortium purchasing agreements.

15. Fixed Assets

The district has addressed the issue of fixed asset control and inventory with asset lists, bar tags to mark equipment, centralized ordering, and decentralized storage and monitoring of usage. There is also a policy for disposal of unused or broken equipment and supplies.

16. Surplus

The district should consider maintaining actual surplus between 2.5% and 3% of expenditures, with the potential for revenue enhancement of \$99,133 to \$181,285.

17. Cash Management

The district should monitor the cash balances in the main account to identify periods when significant balances exist for interest earnings for a potential revenue enhancement of \$2,800.

18. Facilities

District facilities consist of four schools, a central office, a historic building, and transportation building, which are located on about 65 acres of land. With an increasing student population, primarily due to new housing construction, district officials are studying the need for additional classroom space. The review team recommended that the district consider developing a new five-year maintenance facility plan, which should be reviewed annually. The district could save about \$1,000 annually by transferring ownership of the Clara Barton building to a local historic society.

19. Operating and Maintenance Expenses

The district has documented relatively poor cleaning services from several private firms over the past few years. The review team recommends that the district consider more protective bidding language, which establishes a vendor employee file containing photographs, finger printing, and work authorization for the private employees and provides for deductions from payments to the private firm for any inferior cleaning.

After a trial period with a new and more successful vendor, the district may be able to reduce the day custodial staff, which is currently cleaning up after the privatized evening shift, and produce potential cost savings of \$49,122.

20. Energy Management

All of the school buildings have been renovated or otherwise modified, with the latest structural changes in 1995. New energy efficient windows, upgraded lighting and electric and hearing equipment have been installed. For additional energy savings, the district should consider employing an engineering firm to conduct an energy audit for a value-added cost of \$3,000 to \$5,000.

21. Grants Management

The district applied for 15 competitive grants from the private sector totaling \$120,316 but only received approval for two grants totaling \$5,014. The district may wish to consider hiring a career grant writer for a percentage of the funds awarded on a competitive basis.

22. Food Services

The district should consider raising lunch prices to reflect the current state guidelines for an annual revenue enhancement of \$17,856 and reducing the lunch aide staffing level at Peter

Muschal School for annual cost savings of \$5,636. The district should also consider placing vending machines with non-carbonated drinks and snacks in all schools for an estimated annual revenue enhancement of \$27,500. Total cost saving and revenue enhancement \$50,992.

23. Special Education (SE)

The district has a relatively high incidence of students with multiple handicaps, which involves a high tuition cost for placing many of these students out of district. The district should consider sharing strategies and techniques for the evaluation and education of classified student with other school districts who provide needed services on a less costly basis. When additional classroom space becomes available, the district should consider providing special education instruction in-district, whenever it is feasible and cost effective.

24. Special Education Medicare Initiative (SEMI)

With full implementation, the SEMI program would provide the district with \$14,000 in net revenue enhancement.

25. Extra Curricular

While the cost of the athletic and extracurricular programs are somewhat higher than comparison districts, the programs are well managed, appear to be effective, have parental support and meet the interests and needs of students. District officials should consider conducting a study of the cost effectiveness of field trips, with a potential saving of \$10,000.

26. Transportation

The district transportation unit operates 16 S1 type buses, 10 S2 type buses and one staff vehicle for a total of 27 vehicles. The overall efficiency of the program is very good, especially the in-district routes. However, the district should consider contracting out five routes for an annual saving of about \$29,400, the purchase of 20-year transit type replacement buses for annual savings of \$12,000, and the purchase of oil and antifreeze at state contract savings of \$531. The district should consider purchasing one ten-ton floor jack and two five-ton jack-stands for a value-added cost of \$2,600. Total net cost savings \$39,331.

27. Collective Negotiations

The district should consider negotiating a limitation on payments to twelve-month secretaries, custodial and maintenance staff for unused accumulated vacation days to equal the maximum number of days allowed annually, i.e. 21 days, which would produce a onetime saving of \$35,137.

The district was commended for limiting the payments to teachers for unused sick leave to \$20 to \$30 per diem. This financial incentive for employees to conserve sick days was view as cost effective.

Temporary paid leaves of absence, which could total 11 or more per year, are viewed as excessive in comparison with the allowance of three personal days annually for state employees. The conversion of unused personal days to accumulated sick leave days is also a potentially expensive practice.

28. Administrative Agreement

District officials were commended for inclusion of 40% of the annual salary increase to be based upon the merit of job performance and responsibilities.

The district should consider negotiating a change in contract language, which provides for payment on retirement of the full per diem rate per unused day of sick leave. The district should negotiate a fixed dollar amount per day and a maximum per person of \$15,000 for sick leave payment upon retirement, which would produce onetime savings of \$204,659.

The district should consider negotiating a limitation on payment for unused vacation days equal to the maximum annual amount of vacation accumulated, or a total of 22 days, which would produce a onetime savings of \$29,294.

29. Health Insurance

Consideration should be given to negotiating an employee 20% co-pay arrangement on all health insurance coverage levels beyond the single rate,- for annual cost savings of \$188,883.

30. Shared Services

The two municipal governments and the regional school district have jointly created a Community Education/Recreation (CE/R) Council, which employs staff and utilizes municipal and school facilities to provide educational and recreational services for residents. The CE/R program offers free summer programs for students, fee-based before and after school childcare and a number of adult evening courses. The cost to the regional district is currently about \$18,000 annually. Both school and municipal officials are commended for this innovative program which provides valuable educational, childcare and recreational programs for the public in an efficient and cost-effective manner.

Since 1995, the Bordentown Regional School District has combined with other school districts and jointly bid for natural gas as a consortium. The district also has a large fuel facility with gasoline and diesel fuel, which fuels its vehicles. The fuel, which is purchased in bulk, is also sold to Bordentown City and the Bordentown Sewer Authority.

For the second year, the district provided an in-service program for teachers in cooperation with the Florence Public Schools.

<u>Areas Involving Monetary Savings</u>	<u>Onetime Savings/Expense</u>	<u>Annual Savings/Expense</u>	<u>Potential Savings*</u>	<u>Totals</u>	<u>Totals</u>
Instruction					
For grades K-6, consider two options:					
1) redistrict the two elementary schools, or			\$92,500		
2) regionalize into primary & intermediate schools.			\$165,000		
Purchase new bilingual textbooks.	(\$1,000)			\$91,500	\$91,500
Instructional Support					
Enhance student attendance field effort.			(\$15,000)		
				(\$15,000)	(\$15,000)
Technology					
Increase MIS manager's salary.			(\$10,000)		
Employ college MIS students part-time.			\$15,840		
With electronic purchasing system, reduce one clerical position.			\$27,260		
More effective control of phone calls.			\$13,232		
				\$46,332	\$46,332
Business Office					
Maintain actual surplus between 2.5% and 3.0%.		\$99,133	\$181,285		
Collect additional interest from cash balances.			\$2,800		
				\$101,933	\$101,933
Facilities					
Transfer ownership of historical building.			\$1,000		
Contract for an energy audit.	(\$3,000)	(\$5,000)			
Enhance bidding language for private cleaning and reduce redundant day custodial staffing.			\$49,122		

\$45,122 **\$45,122**

Food Services

Increase lunch prices. \$17,856
Place vending machines in schools. \$27,500
Reduce Peter Muschal aide staffing. \$5,636

\$50,992 **\$50,992**

Special Education

Implement Special Education Medicare Initiative. \$14,000

\$14,000 **\$14,000**

Extra Curricular

Evaluate costly field trips. \$10,000

\$10,000 **\$10,000**

Transportation

Bid five bus routes. \$29,400
Purchase 20-year transit type replacement buses. \$12,000
Purchase three jack stands. (\$2,600)
Use state contract for oil and antifreeze purchases. \$531

\$39,331 **\$39,331**

Education Association Agreement

Negotiate limitation on payment for unused
accumulated vacation days for 12-month staff.

Administrative Agreement

Limit sick leave payment upon retirement.
Limitation of 22 days on payment for unused
vacation days.

Health Benefits

Co-pay of 20% for all health insurance beyond the single rate.

Total Recommended Savings (\$8,600) \$392,810 \$384,210 \$384,210

*\$457,973 not included in savings of \$384,210.

Total Amount Raised for School Tax (FY97) \$11,271,425 **\$11,271,425**
Savings as a % of School Tax 3.40% **3.4%**

Total Budget (FY97) \$16,630,308 **\$16,630,308**
Savings as a % of Budget 2.30% **2.3%**

Total State Aid (FY97) \$4,919,673 **\$4,919,673**
Savings as a % of State Aid 7.80% **7.8%**

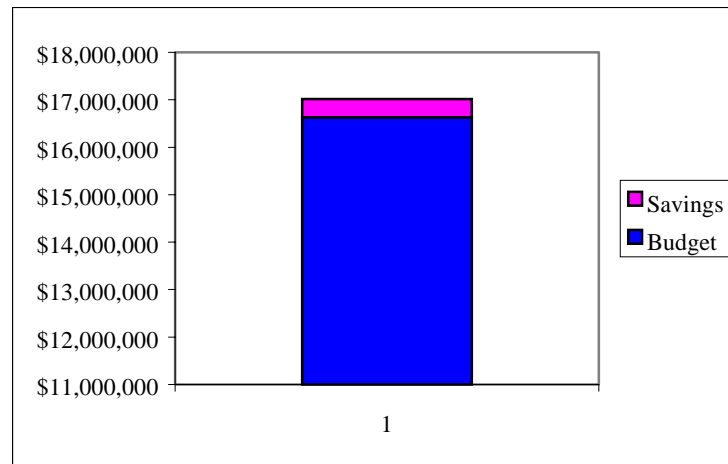
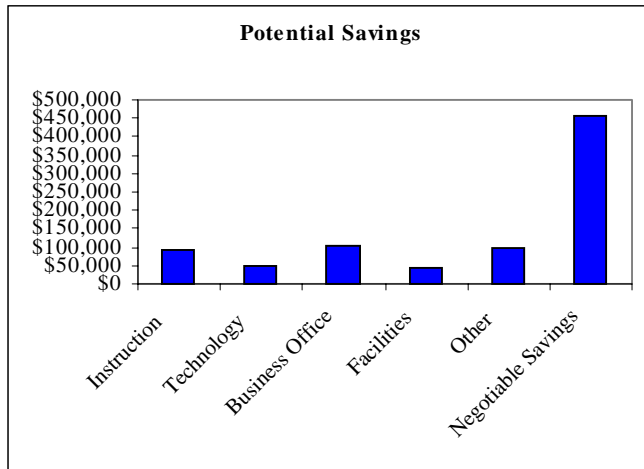


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I. BEST PRACTICES

A very important part of each Local Government Budget Review report is the Best Practices section. During the course of every review, each review team identifies procedures, programs and practices that are noteworthy and deserving of recognition. Best practices are presented to encourage replication in communities and schools throughout the state. By implementing these practices, municipalities and school districts can benefit from the Local Government Budget Review process, and possibly, save considerable expense on their own.

Just as we are not able to identify every area of potential cost savings, the review team cannot cite every area of effective effort. The following are those best practices recognized by the team for cost and/or service delivery effectiveness.

Community Education and Recreation (CE/R)

The City of Bordentown, Bordentown Township, and the Bordentown Regional District combine their efforts to conduct a comprehensive community education and recreation program. All municipal and school district facilities are coordinated and scheduled by the CE/R director. The CE/R programs offer free summer programs and fee-based before and after school childcare and an array of adult evening courses. The cost to the regional district is about \$18,000 annually. A more complete description of the uniquely cooperative municipal and public school CE/R program is located under Shared Services. **Both school and municipal officials are commended for this innovative program which provides valuable educational, childcare and recreational programs for the public in an efficient and cost-effective manner.**

K-12 Regional

Bordentown Regional School District is one of a limited number of K-12 regional school districts in New Jersey. A more common pattern involves individual elementary school districts and an additional regional high school or grade 7-12 district. The K-12 organizational pattern saves tens of thousands of dollars by avoiding multiple central offices and administrative expenses.

Volunteer Program

The regional district maintains a comprehensive volunteer program, which provides services to classrooms, nurses' offices, etc. The coordinator is a parent and the various services are reported at the end of each year. The estimated value of these volunteer services during 1997-98 was about \$28,000.

As part of the PTA and PTO, the two K-6 elementary schools maintain a homeroom parent program. Parent leaders are assigned for each classroom and serve in various capacities, including service as chaperones on field trips. Each time that a parent serves as a chaperone, the district saves the cost of a substitute or classroom teacher.

Senior Driving Privileges

Senior students are permitted to drive their autos to school. If seniors were required to ride school buses to and from school, there would be the need to employ two additional bus drivers. The senior driving privilege saves the district about \$32,000 annually.

Hourly Employees

The negotiated agreement permits the district to employ hourly employees for up to 26 hours per week before benefits are awarded. This contract provision does not reduce any current positions, but currently allows the district to save about \$24,000 annually in fringe benefits.

Hiring Practices

District hiring practices, while endeavoring to select the best candidates for open positions, recognizes limited resources by employing many teachers at step one on the salary guide. The philosophy is not to exceed step five in initial employment, other than under exceptional circumstances.

Professional Development

The district is commended for providing an extensive professional development program. By holding an in-service with the Florence School District on a cooperative basis, the district provides an excellent program of seminars at estimated savings of \$10,000 annually.

The district also offers after school courses for credit in a variety of subject areas. There are after-school sessions for a total of 15 hours each in the fall and spring with an attendance of about 50 staff members each season. After school courses, in contrast with the traditional school day format, saves the district about \$70,000 per year.

Refinancing

In 1988 the district refinanced a lease purchase principal of about \$1.3 million for a total savings of \$103,463, or an average annual interest savings of \$11,496 over nine payments. This is one more example of efforts by district officials to get the most benefit from tax dollars.

District Board of Education and administrative officials are commended for numerous examples of efforts toward cost-effective operations while offering good educational programs and facilities for children and youth.

II. OPPORTUNITIES FOR CHANGE / FINDINGS AND RECOMMENDATIONS

The purpose of this section of the review report is to identify opportunities for change and to make recommendations that will result in more efficient operations and financial savings to the school district and its taxpayers.

In its study, the review team found the district makes a conscious effort to control costs and to explore areas of cost saving efficiencies in its operations. Many of these are identified in the Best Practices section of this report. Others will be noted as appropriate in the findings to follow. The district is to be commended for its efforts. The review team did find areas where additional savings could be generated and has made recommendations for change that will reduce costs or increase revenue.

Where possible, a dollar value has been assigned to each recommendation to provide a measure of importance or magnitude, to illustrate cost savings. The time it will take to implement each recommendation will vary. It is not possible to expect the total projected savings to be achieved in a short period of time. Nevertheless, the total savings and revenue enhancements should be viewed as an attainable goal. The impact will be reflected in the immediate budget, future budgets, and the tax rate(s). Some recommendations may be subject to collective bargaining considerations and, therefore, may not be implemented until the next round of negotiations. The total savings will lead to a reduction in tax rates resulting from improvements in budgeting, cash management, cost control and revenue enhancement.

Comparative Analyses

Many of the recommendations contained in this report are based upon comparative analyses using New Jersey Department of Education data in comparison with districts of similar size and demographics (socio-economic district factor groups - DFG). The comparative data used in this report, which was compiled for the 1996-97 school year, was current at the time of the review. Other data sources are used, such as district documents, various state agencies, state education associations, publications and private industry. School districts used for comparison with the Bordentown Regional School District include Burlington Township, Audubon City, Roselle Park and Hackettstown. The following tables illustrate much of the data used:

Comparison of Revenues and Expenditures

Based on Audit Reports as of June 30, 1998.

District County	<u>Bordentown</u>		<u>Burlington Township</u>		<u>Audubon City</u>		<u>Roselle Park</u>		<u>Hackettstown</u>	
	Burlington		Burlington		Camden		Union		Warren	
REVENUE	%		%		%		%		%	
Local Level Taxes, etc.	\$13,376,045	70.8%	\$14,834,889	69.1%	\$8,061,235	58.8%	\$11,289,883	64.2%	\$12,761,502	70.8%
State Aid	5,240,729	27.8%	6,330,339	29.5%	5,317,387	38.8%	5,992,914	34.1%	5,013,378	27.8%
Federal Aid	257,114	1.4%	309,341	1.4%	329,903	2.4%	309,252	1.8%	233,359	1.3%
Other	5,911	0.0%	0	0.0%	0	0.0%	0	0.0%	9,240	0.1%
Total (All Funds)	\$18,879,799	100.0%	\$21,474,569	100.0%	\$13,708,525	100.0%	\$17,592,049	100.0%	\$18,017,479	100.0%
EXPENDITURES										
Regular Prog - Instr.	\$5,990,872	36.0%	\$6,448,285	34.9%	\$5,239,671	41.0%	\$6,674,472	38.8%	\$6,418,712	36.6%
Special Education - Instr.	872,583	5.2%	878,910	4.8%	622,909	4.9%	883,604	5.1%	1,164,962	6.7%
Basic Skills/Remedial	296,234	1.8%	5,210	0.0%	223,630	1.7%	351,376	2.0%	314,092	1.8%
Bilingual Education	0		61,115	0.3%			147,789	0.9%	48,689	0.3%
Vocational Program			173,708	0.9%						
Sponsored Cocur. Act.	130,106	0.8%	101,056	0.5%	123,948	1.0%	97,767	0.6%	78,609	0.4%
Sponsored Athletics	321,537	1.9%	218,443	1.2%	249,863	2.0%	329,480	1.9%	410,918	2.3%
Other Instr. Prog.			3,842	0.0%				0.0%	852,309	4.9%
Community Service Prog.	0		0		20,429	0.2%	66,140	0.4%		
Total Instruction \$\$	7,611,332	45.8%	7,890,569	42.7%	6,480,450	50.7%	8,550,628	49.7%	8,435,982	48.2%
At Bordentown Enroll. (1)	\$7,611,332		\$5,185,488		\$6,373,670		\$7,868,760		\$8,126,146	
General Admin.	463,141	2.8%	499,486	2.7%	271,171	2.1%	404,366	2.4%	439,576	2.5%
School Admin.	814,083	4.9%	1,236,076	6.7%	516,347	4.0%	827,048	4.8%	750,348	4.3%
Total Administration	1,277,224		1,735,562		787,518		1,231,414		1,189,924	
At Bordentown Enroll. (1)	\$1,277,224		\$1,140,569		\$774,542		\$1,133,215		\$1,146,221	
Tuition - State Facilities	945,286	5.7%	1,399,646	7.6%	501,520	3.9%	502,669	2.9%	571,747	3.3%
Attend. & Social W. Serv.	1,623	0.0%	25,016	0.1%	11,026	0.1%	7,979	0.0%	32,873	0.2%
Health Services	132,299	0.8%	152,634	0.8%	118,407	0.9%	230,289	1.3%	190,170	1.1%
Other Support Services	1,193,232	7.2%	1,078,524	5.8%	912,137	7.1%	1,040,196	6.0%	1,772,937	10.1%
Educational Media Serv.	242,246	1.5%	232,143	1.3%	143,598	1.1%	298,728	1.7%	283,301	1.6%
Operation and Maint.	1,383,351	8.3%	1,571,027	8.5%	1,057,701	8.3%	1,582,080	9.2%	1,484,555	8.5%
Business and Other Supp.	1,841,164	11.1%	1,650,220	8.9%	1,673,291	13.1%	1,859,158	10.8%	1,912,654	10.9%
Food Service	23,405	0.1%	0		0		68,000	0.4%	3,515	0.0%
Total Support \$\$	5,762,606	34.7%	6,109,210	33.0%	4,417,680	34.5%	5,589,099	32.5%	6,251,752	35.7%
At Bordentown Enroll. (1)	\$5,762,606		\$4,014,823		\$4,344,889		\$5,143,397		\$6,022,138	
TPAF	795,219	4.8%	889,554	4.8%	679,999	5.3%	888,214	5.2%	911,207	5.2%
Student Trans. Serv.	712,967	4.3%	1,159,180	6.3%	191,152	1.5%	204,836	1.2%	314,835	1.8%
Capital Outlay	430,444	2.6%	701,400	3.8%	234,537	1.8%	735,100	4.3%	412,481	2.4%
Special School	40,519	0.2%	10,290	0.1%	0		0		0	
TOTAL GEN. FUND EXP.	\$16,630,311	100.0%	\$18,495,765	100.0%	\$12,791,336	100.0%	\$17,199,291	100.0%	\$17,516,181	100.0%
Student Enrollment	1,731		2,634		1,760		1,881		1,797	
Instruction Cost Per Stu.	4,397		2,996		3,682		4,546		4,694	
Admin. Cost Per Stu.	738		659		447		655		662	
Total Gen. Cost Per Pupil	\$9,607		\$7,022		\$7,268		\$9,144		\$9,747	

(1) At Bordentown's Enrollment means taking total costs of a particular category, divided by the # of students for that district. Then multiplying that number times the number of students at Bordentown.

Using the NJ School Report Card and the comprehensive Annual Financial Report (CAFR), the following table provides additional comparative data used in this report:

District	<u>Bordentown</u>	<u>Burlington Township</u>	<u>Audubon City</u>	<u>Roselle Park</u>	<u>Hackettstown</u>
County	Burlington	Burlington	Camden	Union	Warren
District Type (1)	II	II	II	II	II
Grades	K-12	K-12	K-12	K-12	K-12
District Factor Group	DE	DE	DE	DE	DE
Square Miles	9.7	14.2	1.2	1.3	35
Number of Schools:					
Elementary	2	2	2	3	2
Junior HS	1	1	0	1	1
Junior/Senior HS	0	0	1	0	0
Senior HS	1	1	0	1	1
Total	4	4	3	5	4
Employees:					
Certified	168	202	154	176	192
Other	107	84	76	94	70
Total	275	286	230	270	262
Student Count	1,731	2,634	1,760	1,881	1,797
Teacher/Student Ratio:					
Elementary	1:15	1:17	1:23	1:22	1:13
Middle	1:12	1:12	1:20	1:24	1:12
HS	1:12	1:12	1:21	1:21	1:13
Students per Admin. (1)	152.0:1	176.2:1	157.4:1	144.0:1	111.0:1
Students per Teacher (1)	13.9:1	16.3:1	14.5:1	13.6:1	12.7:1
Median Salary of Teachers (1)	\$48,281	\$33,974	\$43,700	\$51,129	\$47,694
Median Salary of Admin. (1)	\$70,144	\$76,303	\$75,018	\$82,018	\$71,200
Scholastic Assessment Test Results (2):					
Average Math Score	486	470	501	508	517
Average Verbal Score	490	463	501	481	512
Post-Graduation Plans (2):					
Four Year College/University	46	57	35	55	53
Two Year College	23	25	32	35	21
Other Post-Secondary School	5	5	7	2	8
Military	3	4	6	1	2
Full-time Employment	23	10	13	4	8
Undecided	0	1	7	3	8

(1) This data came from the 1997/1998 School Report Cards. Except where noted all of the other data was obtained from the Comprehensive Financial Report (CAFRA) for the Fiscal Year ended June 30, 1998.

(2) This data was obtained from the 1996/1997 School Report Cards. More recent data was not readily available.

Comparison to Similar Districts

The review team compared Bordentown Regional to districts that are similar in terms of size, type, district factor group (DFG), and student enrollment. These comparisons include three areas: (1) financial, (2) staffing ratios and salary costs, and (3) a Department of Education (DOE) cost of education ranking among similar sized districts.

In terms of finances, the district's costs are similar to three of the five districts in the comparison. Bordentown Regional is the second most expensive out of the five comparison districts. The district's total general fund expenditure per student is \$9,607. This compares to \$9,747 for the highest cost district and \$7,022 for the lowest cost district. However, the expenditure per student for the third highest cost district is \$9,144 and this district does not have in-district pupil transportation, except for special education. This amount is relatively close to the Bordentown figure, indicating that three of the five districts have roughly similar per pupil costs.

The district also compares favorably in terms of various staffing ratios and salary costs. The median salary of Bordentown Regional administrators is \$70,144, which is the lowest among the comparison districts. Bordentown falls in the middle of the five districts in "Students per Administrator" and "Students per Teacher." The Bordentown median salary of teachers is \$48,281 which is the second highest. However, the median salary of teachers in the five comparison districts is \$47,694, which is similar to the salary amount in Bordentown Regional.

The DOE publication Comparative Spending Guide March, 1998 ranks districts on 13 key cost elements such as "Per pupil Costs," "Classroom Supplies and Textbooks," and three key ratios of "Students per Teacher," "Students per Administrator," and "Teachers per Administrator" as indicated in the following table:

Key Cost Elements	1995/1996		1996/1997		1997/1998	
	Costs Per Stu.	Ranking (Low Costs to High)	Costs Per Stu.	Ranking (Low Costs to High)	Costs Per	Ranking (Low Costs to High)
Per Pupil Cost	\$7,511	22	\$7,683	25	\$7,348	15
Classroom Instruction	\$4,645	24	\$4,745	26	\$4,431	18
Classroom Salaries & Benefits	\$4,352	23	\$4,470	26	\$4,179	19
Classroom Supplies & Textbooks	\$251	44	\$233	37	\$219	31
Classroom Purchased Services	\$42	22	\$43	21	\$33	19
Support Services	\$714	22	\$776	28	\$860	19
Support Svc. Salaries & Benefits	\$621	19	\$673	23	\$748	19
Administrative Costs	\$1,034	19	\$1,026	18	\$990	16
Administrative Salaries & Benefits	\$908	31	\$888	30	\$824	27
Operation and Maint. of Plant	\$775	13	\$790	15	\$735	15
Oper. & Maint. Salaries & Benefits	\$304	8	\$339	11	\$305	8
Food Service	\$22	18	\$23	16	\$21	23
Extracurricular Costs	\$277	36	\$279	34	\$272	32

RATIOS	1995/1996		1996/1997		1997/1998	
	Ratio	Ranking (High Ratio to Low)	Ratio	Ranking (High Ratio to Low)	Ratio	Ranking (High Ratio to Low)
Student/Teacher	N/A	N/A	13.7	19	13.9	16
Student/Administrator	N/A	N/A	133.7	38	152.0	18
Teacher/Administrator	N/A	N/A	11.4	44	12.6	23

Bordentown Regional ranks very well on the 13 cost elements among the 55 similar sized districts. A ranking of 27 would put a district almost exactly on the median of the 55 districts. For the last three years, Bordentown Regional ranked lower than the 27 middle ranking more than three-fourths (76.9%) of the time, which means the district’s costs are below average. In fact, in the last year Bordentown only had two of the thirteen rankings above the middle cost ranking of 27, ranked **low to high**. These were 31 and 32 for “Classroom Salaries and Textbooks” and “Extracurricular Costs,” respectively.

In terms of the three key staffing ratios, which are ranked **high to low**, Bordentown Regional ranked 16, 18, and 23 in 1997/1998 for “Students per Teacher,” “Students per Administrator,” and “Teachers per Administrator,” respectively, which are favorable ratio rankings.

District Overview

The Bordentown Regional School District has the distinction of being one of a relatively small number of K-12 regional school districts in New Jersey. The current organization of the district was established on July 1, 1982 after a successful referendum, which extended the limited-purpose grade 9-12 Bordentown Regional High School District to include the K-8 school districts of Bordentown City and Bordentown Township. The borough of Fieldsboro was added to the regional district in 1992. Also, the New Hanover School District sends its high school students on a tuition basis to the Bordentown Regional High School. The regional district, with an October 31, 1998 student enrollment of 1837, has two K-6 elementary schools, one 7-8 middle school and one 9-12 high school. In order to allow coverage of several bus routes by each school bus, the respective schools currently have varying arrival and dismissal schedules as follows:

Arrival - Late Bell	School	Regular Dismissal
7:35 a.m.	High School	2:33 p.m.
8:25 a.m.	MacFarland Junior	3:00 p.m.
8:40 a.m.	Clara Barton	3:00 p.m.
9:00 a.m.	Peter Muschal	3:15 to 3:20 p.m.

The district employs 275 certificated and non-certificated employees, including teaching and administrative staff, instructional and non-instructional aides, secretaries, custodial, maintenance and transportation personnel. In 1995-96, Bordentown had 88.4 professional staff per 1,000 students, while the Burlington County average was 85.8. Also in NJEA’s New Jersey Teacher Salaries 1996-97, the average public school teacher’s salary in Bordentown was \$47,625, compared to a Burlington County average of \$46,074.

The district is generally well organized and functions effectively in providing its educational activities. The curriculum offers common learning experiences and a reasonably wide variety of course offerings, which allow secondary students to make choices toward achieving their career and life goals.

The NJ Department of Education ranks the district as DE among a range of district factor socioeconomic groupings from A (lowest) to J (highest socioeconomic status). The district has a

history of experiencing difficulty in securing voter approval for school budgets, with only one budget approval in recent memory. This has resulted in several lease purchase programs for school building improvements and/or equipment purchases, particularly for technology. The record of budget defeats is in sharp contrast with active and involved school PTA's and PTO's, a commendable adult volunteer program and opportunities for parent and citizen involvement on various district and school advisory committees.

As the result of field experiences, the review team acknowledges that Bordentown Regional School District has a commendable climate for teaching and learning. District and education officials have established an enviable relationship, whereby, communications are relatively open and the atmosphere in school buildings is generally conducive to good human relations and a favorable climate for productive activities. Our interviews revealed many favorable comments about the quality of the teaching staff. The district obviously has benefited from enlightened and insightful leadership on the school board, in the central office and at the school level.

BOARD/SUPERINTENDENT

The Bordentown Regional Board of Education consists of five members from the Township, three from the City and one from the Borough for a total of nine elected members. Board members serve overlapping three-year terms, so that three members are elected each year. Occasionally there is the replacement for any member who does not complete the three-year term. As a receiving district for New Hanover students in grades 9 - 12, the regional board has a tenth member representing that district, who has a non-voting seat on the board. The New Hanover representative is able to address any aspect of the public agenda related to the regional high school. Board standing committees include board-staff, buildings and grounds, curriculum and student activities, finance, legislative, negotiations, personnel and policy. Committees review matters within the domain of their designated functions and report their findings and/or recommendations to the full board.

The board generally holds one conference session and one regular session per month. The conference meeting occurs one or two weeks prior to the regular action meeting. The superintendent sets the agenda and no official action takes place unless it is specified through a Sunshine Notice 48 hours in advance of the meeting. There are two public forums held at the conference and regular meetings, which enable citizens to bring favorable comments, concerns and questions to the board's attention. The agenda for the regular action meeting is developed by the superintendent, in consultation with the board president, and is based, primarily, on issues discussed at the conference meeting. The agenda and supporting information go to board members at least 48 hours prior to the meeting. The board also holds executive sessions, which are not open for public attendance, where legal matters, personnel decisions, labor negotiations, and designated items of a confidential nature are discussed.

The review team conducted an analysis of board member expenses for the 1997-98 school year. It revealed that most of the expenses were paid for registration and attendance at workshops-\$7906, food-\$927, and supplies-\$801. There is a policy for board member expense

reimbursement and, overall, the funds expended from the board expense account appear to be appropriate.

The four year and one month employment contract sets forth the compensation, annuity, and health and dental insurance benefits of the superintendent and provides annually 13 sick days which accumulate indefinitely and 22 vacation days, which may be allowed to accumulate up to 44 days at any one time. Upon separation from the district, any unused accumulated sick leave days are paid at ½ the per diem rate and unused vacation days are to be paid at the per diem rate. Four personal days are provided annually and any unused days are converted to accumulated sick leave days. Recommendations on these items are included in the section on administrative agreement.

The review team interviewed all board members and central office administrators and several board meetings were attended. Board members express sincere commitment to provide good educational experiences for students in a reasonable cost-effective manner. It is evident that there is a cooperative working relationship between the Board of Education and central office administrators, whereby, each party respects the role and function of the other. Board meetings are planned and conducted in an orderly and productive fashion, with opportunities for factual comments and expressed opinions of the persons present, and, normally, with adjournment by a reasonable hour in the evening.

Recommendation:

Bordentown Regional school officials are commended for the cooperative and productive relationships which currently exist between the Board of Education and the superintendent, who has previous experience as a superintendent but is relatively new in this district, and the business administrator/board secretary, who has been in the school system for the past three years.

The regional district board has a significant number of standing committees. Board standing committees have the potential for infringement upon the district-wide policy-making function of the full school board and the day-to-day administration of the school system. While these committees appear to be functioning in a reasonable fashion at this time, the board should review, periodically, with central office administrators, the roles, functions and necessity of individual committees and the working relationships that are ongoing. The board and administration are commended for holding annual “retreats” in a non-school environment, where such matters can be discussed without the immediate pressures of school operations.

Legal

The review team analyzed the district’s legal expenses for the 1997/1998 school year. Expenditure records show that the board spent a total of \$20,990. About one-half (\$10,327) of these legal expenses were for the attorney to attend board meetings, when required by the board, and for an attorney to review bidding and contracting procedures for natural gas purchasing. The board does not hire attorneys for salary negotiations. Instead, it hires a negotiating firm because

it believes that this is less expensive. The other half of the district's legal fees (\$10,663) are for litigation involving a construction contract.

The district, by resolution, appoints a board solicitor from a law firm for legal services. The district has had the current firm for many years and has a written contract that outlines the firm's duties. The district compares legal costs by informal discussions with other districts and believes that the fee (\$150 per hour) is reasonable. District officials value the continuity of having a firm that knows the district's legal history.

A comparison of Bordentown's cost per student for legal services with selected district costs are presented in the table below. Bordentown's cost was \$12 per student compared to an average cost per student for the group of \$18. This is one-third below average. This is particularly notable because one-half of Bordentown's legal expenses are for one, non-routine case (construction contract) that will eventually close.

Support Services: General Administration - Legal Services - School Year 1997/1998

	Bordentown	Burlington Township	Audubon City	Roselle Park	Hackettstown	Average
Number of Students	1,731	2,634	1,760	1,881	1,797	1,961
Cost of Legal Services	\$20,991	\$87,998	\$9,556	\$32,000	\$22,334	\$34,576
Costs Per Student	\$12	\$33	\$5	\$17	\$12	\$18

Our review of the district's legal function, and the comparison to the selected districts, indicates that the district kept legal expenses to a minimum in 1997-98.

Auditor

The district has used the current auditor for several years and has a written agreement for auditing services. In 1997-98 the district audit expenses were \$19,500, which included food service and CE/R. The district periodically obtains proposals from other auditing firms to ensure that they are receiving a good rate. The most recent proposals were for the 1998/1999 school year. The district's current auditor presented the least expensive proposal and the district plans to continue with that firm.

ADMINISTRATION

General Administrative Costs

A comparative review of the Bordentown Regional, Burlington Township, Audubon City, Roselle Park, and Hackettstown function 230 - Support Services General Administration - account for fiscal year 1997-98 was conducted. This function includes expenses associated with the Board of Education, administration and school elections. The review revealed the following costs for fiscal year 1997-98:

	Bordentown	Burlington Township	Audubon City	Roselle Park	Hackettstown
Salaries	\$211,424	\$263,368	\$120,995	\$207,252	\$195,305
Legal Service	\$20,991	\$87,998	\$9,556	-	\$22,334
Other Purchased Professional Service	\$37,024	-	\$30,716	\$25,646	\$16,676
Purchased Technical Service	\$42,428	-	-	-	\$3,304
Communications/ Telephone	\$75,449	\$58,101	\$39,430	\$41,312	\$66,180
Other Purchased Services	\$40,324	\$74,862	\$34,649	\$88,129	\$104,560
Supplies and materials	\$17,584	\$7,453	\$4,175	\$8,338	\$10,697
Miscellaneous	\$17,917	\$7,701	\$31,650	\$33,689	\$20,519
Total	\$463,141	\$499,483	\$271,171	\$404,366	\$439,575
Total Per Pupil	\$268	\$190	\$154	\$215	\$245

An analysis of this data reflects that the administrative cost per student for Bordentown was \$268 per student as compared with \$190, \$154, \$215, and \$245 for Burlington, Audubon City, Roselle Park, and Hackettstown, respectively.

We found several Bordentown expenditures that were higher than other districts. First, the district had a one-time expenditure of \$34,428 for Purchased Technical Services. More than two-thirds (\$23,428) of this amount was for computer consulting services to fix major problems with the district's computer network. The remainder (\$11,000) consisted of \$5,000 for a search company to find a new superintendent and, \$6,000 for fees resulting from selling bonds. In addition, regional district communication and telephone expenditures were higher than the comparison districts. The expenditures in this category were almost all for telephone costs, with only a minor portion for postage. The average costs of the comparison districts for communications/telephone was \$59,832. Bordentown's costs were \$75,449, which was \$15,617 or 26.1% above the average for the group. A more in-depth analysis of these costs is contained in the section on communications.

Another way to evaluate the district's administrative costs is to use the Comparative Spending Guide published by the New Jersey Department of Education in 1998. Per pupil costs for salaries and benefits for administration in 1996-97 were \$888, which ranked 30 of 55, and decreased to \$824 in the 1997-98 budget or a ranking of 27 out of 55, or about average. The total administrative cost in the Bordentown Regional School District in 1996-97 was \$1,026 per pupil, with a ranking of 18 out of the 55 K-12 school districts with a student enrollment of 0 to 1800. The lower ranking indicates below average costs. The 1997-98 budgeted total administrative cost was \$990 per pupil with a ranking of 16 out of 55 school districts (*ranked low to high*). The district's ranking on this indicator means that the district is grouped with the top one-third of districts who have the lowest total administrative costs.

Administrators

The district has the following central office administrators: superintendent of schools, business administrator/board secretary and the CE/R director. There are also four K-12 area supervisors, who are housed in the adjacent high school building. Individual school administrative positions are as follows:

- High School (grades 9-12, enrollment of 541 students) - principal, assistant principal, and an athletic director (approximately half time*).
- MacFarland Junior School (grades 6-8, enrollment of 279 students) - principal and assistant principal (part-time for grades 7-12*).
- Peter Muschal School (grades K-6, enrollment of 651 students) - principal and nine tenths assistant principal
- Clara Barton School (grades K-6, enrollment of 366 students) - principal and one-tenth assistant principal.

*The athletic director also serves as part-time assistant principal of MacFarland Junior School.

The organization chart of the school district shows the four school principals, the director of special services, the community/recreation director and four K-12 supervisors reporting directly to the superintendent. This arrangement provides a relatively “flat” vs. more hierarchical administrative structure. There is also an administrative council that provides regular opportunities for administrative communication and participation in district and school concerns and decisions. With administrative unit control, the business administrator is responsible to the superintendent for custodial and maintenance, transportation, cafeteria, data processing and business office staff (payroll, accounts payable, etc.) and to the board of education as board secretary. The director of special services supervises the child study teams and the special education teachers. As indicated above, the district also has two and one-half assistant principals, one at the high school, a combination assistant principal/high school athletic director at MacFarland School and a K-6 assistant principal at Peter Muschal School, who spends one-half day per week at Clara Barton School. The four K-12 area supervisors normally teach one high school class annually and are assigned the following subject/skill areas for supervision:

- **Mathematics/Science** - mathematics, science, and test analysis.
- **Communications** - language arts, foreign language, library/media center, test analysis and **coordinating supervisor**.
- **Humanities** - social studies, art, music, academically talented, test coordination.
- **Vocational/Guidance** - business education, vocational education, guidance, physical education/health and computer education.

Although administrative staffing has been relatively stable long-term, the regional district has experienced a significant turnover of school administrators in the past three years.

Administrative turnover is illustrated in the following table:

Administrative Position	Vacancy Date	Reason for Vacancy
Business Admin/Board. Secretary	6/19/95	Another position
Clara Barton School Principal	7/1/96	Retirement
MacFarland Asst. Prin./Athletic Dir.	9/1/97	Another Position
CE/R Director	4/27/98	Another Position
Superintendent of Schools	6/30/98	Retirement
High School Assistant Principal	6/30/98	In-district Promotion
Peter Muschal School Principal	6/30/98	Another Position
Peter Muschal School Asst. Principal	8/10/98	Retirement
High School Principal	12/1/98	Retirement

A total of six administrative positions became vacant during calendar year 1998, with three retirements, two persons securing positions outside the district and one promotion within the district. The district has a new superintendent and high school principal with the retirements of the outgoing superintendent on June 30, 1998 and the high school principal in December, 1998.

Recommendation:

Total administrative salaries are reasonable in cost. Administrative salary levels are below the state average and, also, the average for the comparison group of school districts with comparable enrollments. During this review, some school principals expressed concern about sharing assistant principals. The review team concludes that district-wide the current administrative staffing is numerically reasonable, although not meeting the expectations of all parties. However, the Peter Muschal School clearly has a student enrollment which warrants a full-time assistant principal. The current student enrollments of the MacFarland Junior School and the Clara Barton School respectively justify a full-time principal and guidance counselor in each school. As student enrollments increase in the near future, school administrative staffing and supervisory teaching assignments will undoubtedly require periodic adjustments.

INSTRUCTION

Clara Barton School

In this school, the primary grades (K-2) are self-contained, while grades three through six are semi-departmentalized, with one teacher responsible for science/math and another classroom teacher instructing in language arts/social studies. Science instruction provides “hands-on” activities that provide for student participation. The mathematics curriculum includes skill development, the learning of concepts, and usage in concrete situations. Students also are involved in word problem study and the use of manipulatives in problem solving. Social studies commence in the primary grades, with study of the local community, and progresses in upper grades to state, national and international levels. Reading, writing and oral language are taught as a unified language arts program. Humanities classes for all students include music, art, physical education, health and library. Instrumental music is available for all students as an

elective in grades 4 to 6, while chorus is offered at both the primary and intermediate levels. Students who need additional assistance are provided instruction in reading, mathematics and speech.

On October 31, 1998, the Clara Barton School, which primarily serves City students, had a total student enrollment in grades K-6 of 366 students, which included 50 special education students. The enrollments by class section were as follows:

Pre-K Handicapped	15	Grade 3	15
Kindergarten - AM	18	Grade 3	13
Kindergarten - PM	14	Grade 3	17
Kindergarten - PM	17	Grade 4	15
Grade 1	18	Grade 4	15
Grade 1	15	Grade 4	16
Grade 1	17	Grade 5	18
Grade 2	14	Grade 5	19
Grade 2	15	Grade 6	23
Grade 2	16	Grade 6	21
Sp. Ed. (4 classes)	35	Total	366

Exclusive of special education classes, the average class size with 19 regular sections in the school is 16.6 students.

Peter Muschal School

The Peter Muschal School offers a K-6 curriculum, which is parallel with the description above of the Clara Barton curriculum. The school faculty strives to enable students to reach their maximum learning potential in an organized and nurturing environment. About three-fourths of the students are above the national median in their performance. The school also offers many self-esteem-building activities for students.

The Peter Muschal School, which serves Township students, had an October 31, 1998, enrollment in grades K-6 of 651 students, which included 53 special education students. With 30 sections, regular class sizes ranged from 16 to 24, with an average of 19.6 students.

Combined K-6 Classes

There are advantages and disadvantages to combining the elementary school enrollments by grade versus retaining the current modified neighborhood school attendance zones. It is acknowledged that many parents tend to prefer neighborhood schools, which remain geographically closer to home and generally involve less transportation of small children. However, by dividing students into two K-6 elementary schools, there is less efficiency in scheduling teacher assignments and in grouping students into class sections. The total October, 1998 K-6 district enrollment was as follows:

Grades	Clara Barton Sch.		Peter Muschal Sch.		Present District K-6		Combined K-6	
	Students	Current Teachers	Students	Current Teachers	Total Students	Total Teachers	Teachers Needed	Fewer Teachers
K	49	1.5*	81	2*	130	3.5*	3*	.5
Grade 1	50	3	99	5	149	8	7	1
Grade 2	45	3	68	4	113	7	6	1
Grade 3	45	3	89	5	134	8	6	2
Grade 4	46	3	89	4	135	7	6	1
Grade 5	37	2	91	4	128	6	6	
Grade 6	44	2	81	4	125	6	6	
Spec. Ed.	50	5	53	4	103	9	9	
Totals	366	22.5	651	32	1017	54.5	49	5.5

* With half-day kindergarten, each teacher instructs two sections.

Recommendations:

Option 1 - The Bordentown Regional School District has, essentially, “neighborhood” schools for grades K-6 and complete consolidation with all students at each grade level attending one particular school in grades 7-12, namely MacFarland Junior School and the High School. Obviously, there are certain potential economies of scale in the latter situation. The table above indicates that, based upon current enrollments, the district could save 5.5 regular classroom teachers’ salaries and fringe benefits by placing all students in each grade level in the same school, or a savings of \$203,500. The additional annual transportation costs for some City students are estimated as \$40,000 or less, for a net savings of \$163,500.

Option 2 - There are significant differences in regular class average sizes, exclusive of special education classes, between the two elementary schools, with a 19.6 student average in Peter Muschal School and a 16.6 student average in Clara Barton School. As indicated in the table above, the differences are most apparent in grades K-4. In the short-term, school officials may need to consider further school attendance redistricting so that some additional Township students attend Clara Barton School in those classes with empty seats. By increasing the school class average to 19 students in grades K-4, Clara Barton School and faculty could accommodate an additional 50 students, or a potential district-wide savings of about 2.5 teachers salaries and fringe benefits, or a dollar savings of \$92,500. Since most Township students are already transported, there should be little, if any, increased transportation costs.

Since student residence patterns tend to change geographically over time, redistricting may require annual monitoring and adjustments by district officials. It must be acknowledged that redistricting decisions, which change school attendance zones, often are not popular with the affected families, who may be anticipating sending their children to a particular school.

It should also be recognized that, with an increasing K-6 student enrollment and normal teacher retirements, etc. these savings can be accomplished by limiting the employment of

additional teachers in the future, rather than in releasing current teachers from employment.

Option 3 - As indicated elsewhere in this report, a medium range solution to the district’s projected increased student enrollment is the construction of a middle school, perhaps for students in grades 6 to 8. This would free MacFarland School for attendance on a district-wide basis of selected upper elementary school grades, probably grades 4 and 5. There is currently the possibility that the New Hanover School District may wish to expand its sending district status from grades 9-12 to grades 6-12. The revenue for about 38 additional elementary school students from New Hanover with an estimated tuition of \$7400 each would total about \$281,200 annually. At least 50% of these students should fit into existing classrooms, with a conservative estimated net saving of about \$140,600 annually. These added revenues could offset a portion of the annual debt service for a new middle school.

Total Annual Cost Savings: \$92,500 to \$163,500

MacFarland Junior School

The MacFarland staff reportedly strives to provide seventh and eighth students with an educational blend of junior high scheduling and a middle school philosophy, thereby, providing content knowledge and skills, as well as meeting the individual needs of this unique age group. Two recent specific goals were to increase students’ writing and mathematical skills. Consequently, there has been a decrease in the number of student Early Warning Test results in Level III (not proficient) and an increase in Level I (clearly proficient). Another goal has been to increase students’ proficiency in computer technology. Through the library computer network and Internet access, the assignment of cross-curricular projects has expanded research requirements. These projects encourage students to use their higher level thinking skills, to communicate through a variety of avenues and to collaborate in cooperative work groups to critically evaluate information. The curriculum includes *full year* and *quarter* courses as follows:

Full Year Courses		Quarter Courses
Mathematics	Health/Physical Education	Technology Education
Language Arts I	*Basic Skills Reading	Computer Education
Social Studies	*Basic Skills Mathematics	Music
Science	*Spanish (8 th grade only)	Art
Language Arts II	*French (8 th grade only)	

*Students must meet qualifying criteria.

The school also offers a variety of field trips and extra curricular and evening activities that are appropriate for young adolescents.

The MacFarland School had a student enrollment of 279 students on October 31, 1998, which included 35 special education students. There were 142 students in grade 7 and 137 students in grade 8. Approximately 17 regular teachers (exclusive of special education and basic skills), plus

the librarian and teacher of the academically talented taught these students. The regular teachers instructed for five periods and had an average teaching load of 96.3 students, or 19.3 students per class. Two full-time special education teachers taught for six periods per day each, with a class average of 7.2 students per period. One nearly full-time and one part-time basic skills teachers (1.4 teachers for Basic Skills Instruction and Limited English Proficiency) taught basic skills for a total of seven periods, or an average of 6.7 students per class period. Of the total of 90 regular classes, 21 classes had student enrollments of 15 or fewer, although some academic classes had as many as 26 students and health and physical education classes had several classes of 29 to 30 students. The average class sizes for various regular subjects or skills varied considerably as follows:

Subject/Skill	Largest Class Size	Smallest Class Size	Average Class Size
Health/Phys. Educ.	30	24	27.9
Language Arts	28	16	21.8
Science	25	12	19.2
Social Studies	23	13	18.4
Mathematics	29	15	18.4
Tech Educ/Computers	21	6	13.0
Music & Art	19	7	12.8

Class sizes are influenced by many factors, such as the variety of courses offered, the complexities of class scheduling, the special needs of individual students, the nature of the instruction provided, the type of student learning activities, the size of the school enrollment and the limitations upon individual staff teaching assignments. The size of the respective grade level enrollments in MacFarland also appears to be affecting some class sizes. For example, the class sizes for language arts are smaller in grade eight (average 18.5) than in grade seven (average 25.1), as the grade eight enrollment is smaller and each grade level enrollment is divided into five classes.

Recommendations:

With the student enrollment increases as projected in the near future, school officials may not need to increase the grade 7 & 8 academic staff correspondingly in science, mathematics, and social studies. The current MacFarland faculty should be able to handle a somewhat larger student body, with class averages of about 20 students. In other words, with a larger student enrollment, the school can become somewhat more cost effective.

School officials should examine the music, art, technical education, and computer courses to determine whether more cost effective scheduling and course offerings would produce more reasonable class sizes and more economical operation.

Regional High School

One of the most significant innovations in the high school concerns the institution of **block scheduling**, which has been in effect for three years. An extensive in-service education program for teachers preceded the actual implementation of block scheduling, with the consequence of a

wider acceptance of the benefits of more flexibility in the teaching and learning environment and in the assessment of student learning.

The regional high school offers a reasonably comprehensive secondary school curriculum. However, to add breadth and depth to the quality of education, a number of new courses have been provided. Biology I was divided into two courses, i.e., *Biology Ecology* and *Biology Anatomy and Physiology*. Also, AP *Biology* and a second level of *Chemistry* and have been added to the science program. Other new courses include *Writing for the Mass Media* and *Creative Writing* in the English Department; *Desktop Publishing* in the Business Department; and *Economics* in the History Department. The high school also offers Advanced Placement courses in Calculus, English and American History. The high school curriculum offers a total of 79 courses in the following subject areas:

Subject Area	# Courses	Subject Area	# Courses
Art	4	Foreign Language	10
Business Education	6	Mathematics	9
Computer Education	3	Music	3
English (including Honors)	13	Physical Education	4
History	9	Science	11
Home Economics	3	Technology Education	4

The school provides a curriculum that incorporates vocational and academic preparation for students upon graduation to become gainfully employed and/or to pursue further education.

On October 31, 1998, the regional high school student enrollments totaled 541, with 43 special education students. The total grade enrollments were as follows:

H S Grades	Students
9	133
10	158
11	131
12	119
Total Enrollment	541

The average class size was 18.5 students. Of the 129 teaching periods during first semester exclusive of seven basic skills classes and self-contained special education classes, there were 33 teaching periods, or 25.6% with 15 or fewer students.

The following table indicates the range and average class sizes in respective subject areas in the regional high school:

Subject Areas	Largest Class Size	Smallest Class Size	Average Class Size
Phys. Educ./Health	42	19	27.3
Music & Art	48	9	23.3
Computers/Bus. Educ.	28	12	21.5
English	25	10	18.9
Social Studies	25	6	17.8
Mathematics	29	8	17.7

Science	23	8	17.2
Home Econ./Ind. Arts	21	10	15.8

Recommendation:

A high school with an enrollment of 551 students presents a challenge in terms of providing a comprehensive curriculum, which meets the needs of the student body while maintaining a reasonable cost per pupil. Additional new course offerings may need to be related to actual growth in future student enrollments. While some small classes are combined in the current schedule, continued efforts are needed in preparing the master schedule to limit the number of very small classes in the high school.

Academically Talented

The Extended Learning Program for the Academically Talented (ELPAT) offers enrichment for students in grades 3-8. Entrance is selective and based upon various standardized test scores and teacher recommendations. The program is a “pull-out” one (i.e. taken from regular classes) with students working on activities, which are designed to expand their critical thinking, research and communication skills. The program is designed for enrichment rather than acceleration through the regular curriculum.

Recommendation:

Consideration should be given to using distance learning as a vehicle to provide for small class instruction, i.e., for advanced placement courses, particularly at the high school level, where only a small number of students may enroll. This would require an initial value-added expenditure for an interactive TV classroom or video conferencing, but the long-term savings would be substantial.

Basic Skills

For the 1997-98 school year, the basic skills program provided instruction for 191 students, district wide, in grades one through twelve. Student enrollment levels for the 1995-96 and 1996-97 school years were 291 and 278 respectively. During the 1997-98 school year the program saw a significant drop in enrollment from the previous two years.

Enrollment into the basic skills program is based on minimum scores set by the state depending on the test used. The eligibility scores used by the district were higher than those set by the state, thereby raising the number of students qualifying for the program. The drop in enrollment between school year 1995-96 and 1997-98 came as a result of staffing and financial constraints. As budgets became tighter and staff members were stretched, the district made the decision to lower the eligibility score to be more in line with state set scores. Enrollments by levels for the 1997-98 school year was as follows:

Level	Students
Elementary (1-8)	136
Secondary (9-12)	55

Staffing for 1996-97 consisted of four teachers and two aides at the elementary level and 4.3 teachers with no aides at the secondary level. Due to the drop in the number of students enrolled,

staffing was reduced to 1.5 teachers and 1.5 aides at the elementary level and 1.5 teachers with no aides at the secondary level. During the 1996-97 school year, the student/teacher ratio was 33.5. With the drop in student enrollment and reduction of staff, the student/teacher ratio jumped to 63.6 during the 1997-98 school year. Costs for the program were as follows:

Basic Skill/Remedial:	1997-98	1996-97	Difference
Salaries of Teachers	\$286,566	\$398,930	-\$112,364
General supplies	\$8,812	\$7,634	\$1,178
Text Books	\$856	\$2,115	-\$1,259
Total Basic Skill/Remedial	\$296,234	\$408,679	-\$112,445
Total Federal Funds	\$63,710	\$77,674	-\$13,964
Grand Total	\$359,944	\$486,353	-\$126,409
Total students	191	278	-87
Cost per Student	\$1,884.52	\$1,749.47	\$135

The district uses the California Achievement Test (CAT5), the Stanford Achievement Test and a district developed kindergarten assessment to identify students for the basic skills program at the elementary level. At the secondary level the district uses the High School Proficiency Test (HSPT), Early Warning Test (EWT) and the CAT5.

Basic skills instruction at the elementary level is done both in-class and out of class depending on the needs and requirements of students. At the secondary level all basic skills instruction is performed outside of the regular classroom.

The target instruction time for elementary students is three 30-minute classes per week and, for grades seven and eight, five 40-minute periods. Grades nine through twelve receive five 80-minute periods per semester. Group size at the elementary level is four to eight students and at the secondary level it is five to nine students.

Recently, the district contracted with the Burlington County Educational Services Commission, (BCESC), to provide its nonpublic school services, i.e. nursing, basic skills etc. The district should also explore the possibility of having the BCESC administer its basic skills program to determine if any cost saving are feasible.

Recommendation:

The district may wish to consider researching the possibility of having the Burlington County Educational Services provide the Basic Skills Program services to determine whether or not there may be cost saving in this area.

Nonpublic Schools

New Jersey Statute, Title 18A, requires each district to provide services to all nonpublic students similar to the services received by public school students, although the district is not required to expend more funds than it receives in state aid for nonpublic students. As required by law, the

Bordentown school district provided these services to nonpublic school students in the district. The remedial programs were conducted after school, since regulations do not allow the district instructors to enter private schools.

The Bordentown Regional School District provides aid to two nonpublic schools. A total of 219 students, 44 at Holy Cross Lutheran and 175 at Saint Mary, were eligible for text book and nursing aid. Under Chapter 193 a total of eight students were served, with seven receiving the initial and one receiving an annual examination and classification. Seven students were enrolled in the corrective speech program. Under Chapter 192 four students received compensatory education instruction. The summary table below indicates the costs associated with these services over the past four school years.

School	Nonpublic						
Year	Textbooks	Comp. Ed.	Trans.	Exam & Class.	Corr. Speech	Nursing	Totals
97-98	\$9,665	\$2,014	\$0	\$4,552	\$2,497	\$13,223	\$31,951
96-97	\$10,071	\$3,149	0\$	\$4,894	\$1,479	\$14,316	\$33,909
96-95	\$10,531	\$3,034	\$58	\$5,370	\$483	\$14,999	\$34,475
95-94	\$10,898	\$5,006	0\$	\$3,875	\$1,600	\$15,394	\$36,773

At best, the response for the remedial program was poor. It was perceived that it was, in part, due to the fact that since instruction took place after school many parents were reluctant to travel back to school to pick up their children. The district, looking for a better way to fulfill its obligation, turned to the Burlington County Educational Services Commission (BCESC). Looking at all its options, the district decided that the BCSEC could better serve its remedial program with the same resources. Since instructors could now enter private schools, which allowed remedial classes to be held during the regular day, it was believed that due to the convenience more students would be willing to participate.

As an example, the nonpublic school request for remedial instruction for the school year 1998-99 was one student. This response was based on the assumption that the district would hold classes after school as usual. After the change in regulations, the BCESC surveyed the two nonpublic schools and found that 48 students were in need of some type of remedial assistance.

Recommendation:

The district should be commended for pursuing alternative options to better serve its nonpublic school requirements.

Bilingual/English Language Services

The district operates a English Language Services (ELS) program for anywhere from five to nine students. The ELS program provides language services where a small number of children (less than 10) speak a variety of languages. Related programs operated by the Bilingual Program include English as a Second Language (ESL), which contains 10 or more students who speak languages other than English and a Bilingual Program which contains 20 or more students who speak one native language other than English.

In 1997/1998 the district had seven ELS students. One teacher spent approximately 60% of her time on bilingual education. Salary and fringe benefit costs for the bilingual program in 1997/1998 were about \$40,000 and another \$600 was spent on supplies.

The district is not required to have a certified language teacher because it has less than 10 students in its bilingual/ELS program. Because of the small number of bilingual students, the district does not have separate bilingual classes; instead, it operates a “pull-out” program where students are taken from their regular classes to receive instruction.

In terms of quality, the team received input from many teachers and staff indicating satisfaction with the bilingual/ELS program. The results of these interviews indicate that the program meets the district’s bilingual needs.

However, the district can improve one part of the bilingual/ELS program. The team analyzed expenditures for the program for the past four years and found that the district spent \$1,084 for textbooks in the 1993/1994 school year and has not purchased any textbooks since then. The normal time for textbook replacement is five years. However, according to the bilingual teacher, the textbooks are outdated and the children find them boring. Instead, she uses whatever textbooks she can borrow or provide from her own resources.

The team believes that the district’s investment in modern textbooks for its bilingual students would have many benefits. It should help these students learn English more quickly, which means that they will no longer need the additional expense of bilingual services. Moreover, they will probably do better in their other classes, further enhancing the educational process in the classroom.

Recommendation:

The district should consider providing new textbooks for its bilingual students. The relatively nominal cost of \$1,000 should ultimately provide many benefits to the district and its bilingual students.

Value Added Expense: \$1,000

Instructional Support

Professional Development

For the third year, Bordentown Regional continued its membership in the Professional Development Network, a consortium of sixteen school districts in conjunction with the College of New Jersey. Membership provides the district with a forum for sharing staff development and curricular information and for tapping college and other district resources.

The district full-day in-service workshop was a joint workshop with Florence Township School district. The K-12 teachers from both districts were offered a selection of nineteen workshops on

a wide variety of topics, including the Internet and Portfolio Assessment. This joint venture, which was held at Bordentown Regional High School, provided a greater choice for teachers at a reduced cost to both districts.

Half-day in-service days provided both district-wide, as well as building-based workshops, on topics such as state assessment and standards, performance-based assessment and the use of rubrics, and technology. School visitations and curriculum articulation meetings were held periodically throughout the year to provide opportunities for teachers to align curriculum to state standards and to devise an assessment process for kindergarten and first grade.

An after-school staff development program enabled participants to take 14-hour/seven week courses on these topics:

- The Computer; Strategies for Classroom Use
- Desktop Publishing
- Internet for the Classroom
- Web Pages and Web Quests
- Computer Technical Training
- Integrated Microsoft Works and Office
- The Power of PowerPoint
- Assessment Strategies; Portfolio Assessment

Ninety-nine staff members completed courses, attending all sessions and completing assigned course work. Teachers from Pemberton School District attended some of the workshops at a cost of \$70 per teacher, or total revenue of \$2,310.

In summary, the regional district professional development program provided active participation and problem-solving opportunities, as well as traditional, informational presentations through the following avenues:

- Opening school/in-service/classroom preparation sessions (two days - September)
- Full-day district-wide program in October
- Seven half-day workshops throughout the school year
- Released time for school visitations, subject or grade level workshops, curriculum review and articulation
- Seven days of after-school workshops offering continuing education credits.

The total added cost of this impressive program was \$18,194.

Guidance

The district has a total of six guidance counselors and one substance abuse counselor (SAC). Three guidance counselors are assigned to the high school while the MacFarland Junior School, Clara Barton and Peter Muschal schools each have one guidance counselor. The SAC is assigned to the entire district rather than to a particular school. The guidance counselors provide comprehensive services including: individual and group counseling; teacher/student and parent conferences; evaluations of student progress; help with course selections; career counseling; post-secondary education counseling; referrals, and absentee assignments. The SAC specializes in providing information on the prevention of substance abuse, coordinating related services,

such as Services to Overcome Drug Abuse Among Teenagers (SODAT) and, arranging drug and alcohol education and prevention assemblies.

The guidance function stays in touch with the changing needs of the district by periodically surveying parents, teachers, and students. The surveys identify satisfaction with current status or the need for new services.

The guidance function has developed a comprehensive guidance curriculum. This curriculum defines the philosophy, goals and objectives of the guidance function. The curriculum is designed to address the personal, social and career awareness needs of all the district's students and it is used to coordinate guidance function activities from kindergarten through high school. The district is currently updating this curriculum.

In the 1997/1998 school year, the district spent \$383,431 on guidance and guidance related services. The district has not been reporting the costs of clerical support in the guidance function. The costs shown in the CAFR were adjusted accordingly in this report. The average cost per student for comparison districts was \$241 per student and the Bordentown cost was the same. (See table below).

Guidance Services - School Year 1997/1998

	Bordentown	Burlington Township	Audubon City	Roselle Park	Hacketts-town	Average
Number of Students	1,731	2,634	1,760	1,881	1,797	1,961
Professional Salaries	\$372,232	\$378,256	\$267,270	\$404,628	\$513,334	\$387,144
Clerical Salaries	\$33,075 (1)	\$68,639	\$30,466	\$39,780	\$107,868	\$55,966
Purchased Services	\$1,910	\$22,146	\$5,894	\$3,320	\$14,822	\$9,618
Supplies & Materials	\$9,289	\$19,599	\$9,911	\$2,024	\$14,967	\$11,158
Total Expenditures	\$416,506	\$488,640	\$313,541	\$449,752	\$650,991	\$463,886
Costs Per Student	\$241	\$186	\$178	\$239	\$362	\$241

(1) The CAFR shows no clerical salary costs. In the process of conducting the review, clerical costs of \$33,075 were identified.

LGBR analyzed guidance counselor staffing because their salaries represent 75% of the expenditures for the guidance function. (SAC coordinators are not certified guidance counselors and, hence, were excluded from our staffing analysis.) The N J Department of Education's Comprehensive Plan for Educational Improvement and Financing sets the standard for high school guidance counselor at one counselor per 225 students. The plan does not have standards for the number of guidance counselors in the lower grades; however, students in the lower grades

would likely have less intensive demands for counseling services than the need for college and career counseling by high school students.

The overall number of students per guidance counselor for the entire district is 306. This was reasonably close to the high school standard of 225 students per counselor, especially since only about 30% of the district's students are in high school. The distribution of counselors for each school was also within a reasonable range.

Recommendation:

The district's guidance function seems well organized and appears to be meeting the needs of the students. The cost of the guidance function and the number of guidance counselors both appear to be within the normal range.

Library/Media Services

The Bordentown Regional School District operates four libraries, one at each school facility and offers media services at each location. A librarian and an assistant staff each facility. All libraries are open during the school day with extended hours offered one afternoon per week at the high school library.

The Clara Barton and MacFarland Middle schools have close working relationships with the Bordentown City Library. Most students attending Clara Barton or MacFarland walk to and from school and thus make use of the City Library after school hours. The Burlington County Library is located in Rancocas (approximately 15 miles distance) and is not convenient to Bordentown schools.

Elementary Schools - Elementary schools recently experienced building renovations and expansions. As a result, the libraries in both the Clara Barton and Peter Muschal elementary schools received significant upgrades in facilities. During this period, there have been extensive efforts to remove outdated books and materials. In an effort to fill the bookshelves and maximize the book budget, the district has become a member of the Burlington County Educational Media and Technical Center for the purchase of software, film subscriptions and AVA equipment.

MacFarland Middle School - All language arts teachers have been working with the middle school and high school librarians in a collaborative effort for students in grades 6-12. A style manual has been developed which takes a specific topic and guides each student through grade appropriate research and writing skills. This is further enforced through the exploration of a singular theme through interdisciplinary projects.

The district should be commended for continuing staff development and support for individuals. Examples of this include attendance of staff at the Renaissance Project for Interdisciplinary Projects and NEH Fellowship at Columbia. The review team subsequently observed these highly innovative teaching techniques in practice.

Bordentown Regional High School - The library has benefited from block scheduling due to the longer time frame. Classes fill up quickly due to the reduced number of time slots, but the extra time has proven beneficial for completion of research items.

Library Expenditures - CAFRA					
1997-98 Actual	Bordentown	Burlington	Audubon	Roselle Park	Hackettstown
Salaries	\$201,657	\$178,892	\$109,992	\$250,384	\$221,812
Purchase Services	10,118	12,607	267	-	6,054
Supplies & Materials	30,470	40,944	33,339	48,344	55,435
Total	\$242,245	\$232,443	\$143,598	\$298,728	\$283,301

Expenditures - Without conducting a complete review of all four districts, a comparison of CAFRA reports shows the district libraries spent 4% of their budgets on purchased services and 13% on supplies and materials. Bordentown ranks third highest (middle position) of the comparable school districts.

Staffing - All school librarians are responsible for media equipment (audiovisual, videocassette recorders, cameras) and peripherals (ink cartridges, computer disks) within their respective schools. This is a recent change from a separate stipend payable to certificated staff.

The district libraries have made use of community volunteers at various times. Understandably, voluntary services are valuable when received but the delivery is, at times, sporadic in nature. The middle school and high school have also utilized student pages for short times during the school day.

Curriculum - All regular education students have weekly classroom visits. In-district special education students make twice weekly visits to the library. The classes taught at the middle and high schools are driven by curricula, which are submitted by teachers in the beginning of the school year.

Purchasing - All books are ordered through the South Jersey Regional Cooperative. This consortium has been utilized for approximately 10 years and offers discount rates on all purchases. An added incentive is the ability to catalog each book as it is ordered and received, which saves the district hours of time per order.

Technology - The district completely automated the library function of the card catalog, circulation and acquisition in 1996. Part of the current technology plan is to develop the ability to communicate electronically with other libraries in the district and eventually with the municipal and county libraries.

At the time of our visit all libraries had between four and six terminals that were heavily utilized during class participation time. The high school library has a filter installed for limited access to various Internet sites.

The Clara Barton library applied for and received a \$5,000 private grant to link the school with the community. The Nelchen Sievers Grant attempts to link households with schools through a separate computer connection. During the time of our review, this initiative was in the initial phases of development.

Recommendation:

The review team commends the district for the physical improvements and for continuing to apply new methodologies to the library/media centers.

Health Services

In 1997/1998 the district's health services function was staffed with three full-time nurses (10-month contracts), one medical doctor, who is contracted on an hourly basis, and one part-time teacher. In that year the district spent a total of \$132,299 on health services. More than 95% of these expenditures were for salaries. The remaining expenditures were for purchased services (the medical doctor), supplies and materials.

The doctor provides physical examinations, health screenings and other services. The nurses assist with physical examinations, screen for scoliosis, complete audiometric and visual screenings, report on any observations of communicable diseases, and maintain student health records. A part-time teacher provides CPR and Health classes. Other programs operated within the health services function include: the blood drive, the Game of Life (educates students about local community resources), peer support groups, peer mediation groups (conflict resolution) and an annual holiday effort where the nurses volunteer two days to create and distribute food and gift baskets.

The three nurses are distributed among the schools as follows: the high school and the Peter Muschal Schools each have one nurse; the remaining nurse splits her time between the Clara Barton School (three-quarters of her time) and the MacFarland School (one-quarter of her time). These two schools are directly across the street from one another, which minimizes the nurse's travel time.

The team compared Bordentown's expenditures for health services to the four selected districts. We found that Bordentown expended \$76 per student, which was 9.5% lower than the \$84 average expenditure per student for all of the selected districts. The table below shows the relevant data.

Comparison of Expenditures for Health Services - School Year 1997/1998

	Bordentown	Burlington Township	Audubon City	Roselle Park	Hacketts-town	Average
Number of Students	1,731	2,634	1,760	1,881	1,797	1,961
Salaries	\$126,063	\$130,932	\$92,627	\$221,454	\$156,435	\$145,502
Supplies & Materials	\$4,787	\$6,601	\$6,560	\$4,846	\$8,923	\$6,343
Purchased Services	\$1,449	\$15,100	\$19,220	\$3,989	\$24,812	\$12,914
Total Expenditures	\$132,299	\$152,633	\$118,407	\$230,289	\$190,170	\$164,760
Costs Per Student	\$76	\$58	\$67	\$122	\$106	\$84

The team normally focuses on the last completed school year (in this report that is 1997/1998). However, in 1998/1999 the district increased the number of nurses working in health services by adding a half-time nurse at the MacFarland School, at an additional salary cost of \$16,258.

In order to get a rough idea of the impact of this staffing change on the district’s ranking, Bordentown’s 1997/1998 expenditures were increased to account for the additional half-time nurse and the student enrollment were increased to the 1998/1999 level. The cost per student increased to \$81, which was still 3% below the \$84 average per student cost for the selected districts. The impact was, therefore, nominal.

Recommendation:

Since the district has less than one nurse per school, it is particularly important that the nursing staff be properly allocated among the schools. We analyzed this distribution using both the 1997/1998 and 1998/1999 pupil enrollments and the measure of “nurses per 100 students.” The district’s allocation of nursing staff was reasonable based on the number of students attending each school.

Attendance and Social Work Services

The team compared Bordentown’s expenditures for attendance and social work services to similar districts. Attendance services include identification of nonattendance patterns, promoting improved attitudes about attendance and enforcing attendance residency laws. Social work services normally include the investigation and diagnosis of student problems arising from the home, school, or community and casework or group services for the child or parent.

Bordentown’s total expenditure for the attendance effort was dramatically lower than each of the comparison districts. The average total expenditure for the comparison districts was \$11,874. Bordentown’s total expenditure was only \$1,623. The table below shows the relevant data.

**Comparison of Expenditures for Attendance Services
School Year 1997/1998**

	Bordentown	Burlington Township	Audubon City	Roselle Park	Hacketts-town	Average
Number of Students	1,731	2,634	1,760	1,881	1,797	1,961
Total Expenditures	\$1,623	\$10,000	N/A	\$3,000	\$32,873	\$11,874
Costs Per Student	\$0.94	\$3.80	N/A	\$1.59	\$18.29	\$6.16

In order to understand these differences, we completed telephone interviews with the business administrators from the comparison districts. We found that the other districts carryout intensive field efforts to investigate whether children registering and attending school in the district are actual legal residents of that district.

The differences in the intensity of the enforcement effort between Bordentown and the comparison districts are reflected in the cost per student expenditures for attendance fieldwork (see earlier table). Bordentown’s cost per student was \$.94, compared to \$3.80, \$1.59, and \$18.29 per student for Burlington Township, Roselle Park, and Hackettstown, respectively. Audubon uses the Gloucester County Special Services School District to carry out its enforcement efforts and was unable to estimate the cost.

The residency issue that exists in the comparison districts is also a potential problem with Bordentown. There is the possibility that some parents from surrounding school districts, including Trenton, might be interested in sending their children to the district without paying the required tuition.

Unlike the comparison districts, Bordentown has a limited program in terms of field effort. It has one retired police officer, who carries out fieldwork. He is paid hourly and does not receive fringe benefits. Instead of utilizing fieldwork, the district addresses the residency issue mostly from an administrative perspective. The district reviews documents and affidavits provided by incoming students and their parents. These include records such as drivers' licenses and tax information. It does not tell parents at registration that there may be an investigation of residency. It believes its investigation effort prevents about five children per year from attending the district. The district is satisfied with their program but is willing to review its effectiveness in light of our survey results.

Bordentown's focus on an administrative review contrasts to the comparison districts that emphasize fieldwork. All of the comparison districts spoke very highly of the value in having a strong field effort to investigate attendance issues. They indicated that the savings that result from this effort far exceeds the costs involved. One district estimated that 30 to 45 children were prohibited from attending the district because of these investigations. Considering that the median statewide cost per student for K-12 districts was \$7,542 in 1996/1997, these savings are dramatic.

Differences exist among the comparison districts in terms of how they implement their attendance enforcement effort. Some districts tell parents at registration that their residency may be verified and they carryout spot checks based on registration information. Some districts use uniform police from the local township while others like Bordentown use retired police officers. In most instances, enforcement personnel are hourly workers without fringe benefits.

The information from comparable districts suggests that Bordentown might benefit from a stronger field investigation effort. An increase of \$1,500 (to roughly match the lowest amount spent among the comparison districts) would be a small investment with a potential for significant future gain.

Recommendation:

The district should strengthen its current attendance investigation field effort in light of the savings that have resulted in comparable districts. A one-time increase of \$1,500 should enable the district to strengthen its program. The results obtained from this initial increase should be used to continue, reduce or increase funding for this effort in the future.

Value Added Expense: \$1,500

Volunteers

The district employs a part-time volunteer coordinator who performs a variety of services ranging from scheduling classroom volunteers, speakers and mentors to writing grants, coordinating a school book fair and assisting principals with publicity about the program. Each September elementary and middle school principals and teachers are surveyed to assess perceived student needs for volunteer services. Some of the types of services and/or activities of the 30 classroom volunteers are listed below:

- Assist the school nurse in monitoring children in the office, answering the phone, and taking student heights and weights and registering children for periodic physical examinations.
- Work in the a.m. in the classroom for perceptually impaired children by providing individual attention, practicing skills, such as making change in purchasing activities, etc.
- Assist kindergarten children twice a week in organizing their thoughts, in spelling and in writing alphabetic letters as they compose their journals.
- Work in the library/media center in checking books in and out, in shelving books, and in helping children do their library research.

The program also “connects the children to the community” by bringing adults into the schools as speakers, mentors, etc. in either classroom activities or special events, such as career days, pilot mentoring programs and monthly programs, such as Project Discovery. Some specific enriching experiences are as follows:

- MacFarland Junior School and Peter Muschal School have career days every other year. Junior high students choose from among 40 speakers and spend the day learning about careers. Clara Barton School has career speakers on a monthly basis in two sessions, i.e. primary and intermediate sessions, on topics of student interest.
- Clara Barton School has 22 adult mentors who see selected students on a weekly basis.
- Civil War re-enactors came to school to increase the understanding of children on the conditions of the time by making the type of food eaten by the soldiers.
- Celebrated “Read across America” by having adults read to students.
- Community related assembly programs featuring fire, police, state forensic laboratory staff, etc.

In summary, the Community Volunteer Program endeavors to meet school/student needs by contributing about 80 volunteer hours per week, while guest/resource speakers in the classrooms provide additional hours. According to current volunteer theory, the volunteer services are worth \$10/hour for a total contribution of \$800 per week or \$28,000 per year. The volunteer-related events also provide positive publicity for the district. Moreover, the program provides an invaluable connection that is forged between the schools and the community.

The district is commended for providing an extensive program of adult volunteers and community related programs for elementary and middle school children with a minimum of expense.

MANAGEMENT AND INFORMATION SYSTEM (MIS)

Integration of technology and office automation in the education environment benefits the students, and improves the efficiency of the organization. As a matter of practice, the team generally critiques anticipated plans and the effective use of technology, but not the decisions of software selection and application to the educational or organizational needs. The district has a total of 511 computers dispersed through all four schools. Generally, primary grades have two computers in each classroom. Beginning with grade four, the number of computers increases to four. The library in each school has a network of seven computers, and there are three computer labs in the high school. The district computers are wired into a wide area network for district-wide email and communication. The business office utilizes a midrange AS400 computer connected to all schools via Integrated Services Digital Network (ISDN) lines. Each classroom has a television and video recorder with cable installed in all the buildings. The district maintains the philosophy that computers are a resource to augment the educational process and not necessarily an independent subject.

Staffing

Prior to September, 1998, the district employed one full-time director to manage over 500 computers, inclusive of network support, installation of hardware and software, computer repairs and complete technical support for all 238 employees. The director supplied these services for a salary of \$46,000 excluding benefit cost. In September, the district added a full time computer technician at an additional salary cost of \$21,000. These individuals are the only support to a district that houses over 500 computers. The team found some organizational confusion as the technology manager job posting dated October, 1998 stated the technology manager reports directly to the superintendent even though the organization chart of the district indicates the business administrator.

During the review, the technology manager resigned to join a computer consultant group. Because of the sudden and immediate departure of the selected replacement for the technology manager, the district was forced to contract with the prior technology manager at a cost of \$500 per day. The district contracted with the former technology manager for several weeks at a cost of approximately \$11,000.

The mid-range computer and the business software package are user friendly systems, and a call to the business software manufacturer indicated that they would have provided support, without charge, until the new director could be hired. In addition, there were several employees within the district who could have maintained the networks at a lower cost than \$500 a day with the assistance of the local community college. The local community college indicated they would have provided network support if requested. Had the district been more proactive in technology and cross training, this expense could have been avoided.

While the department uses a manual work order system, they do not keep any type of organized statistics. In the past, the team has generally used a ratio of one full-time equivalent (FTE) to every 125 computers. Using this ratio, the department needs at least two more full-time technicians. However, the lack of department statistics makes it difficult to determine an appropriate staffing. Still, as shown throughout this section, the department does need some additional staffing support. The team received numerous complaints regarding technology and

observed them during our tours. The following is a list of some of the complaints and observations;

- The library server at the high school library was operating without a tape backup and housing case.
- The team observed a computer server with a tape backup designed for a 3.5-inch opening installed in a standard slot without the proper faceplate.
- Laser printers did not function due to the failure to maintain an inventory of toner cartridges.
- The team noticed and received complaints regarding a lack of prioritization of repairs.
- The team identified non-Y2K (year 2000) compliant computers in the drafting class.
- A scanner in the high school was idled because of a missing driver for the current network operating system.
- The team identified use of older software, which was not compatible with the existing network platform.
- The district does not have official anti-virus software installed on any of the district's computers.
- The district does not have a central computer supply ordering process.
- The MIS department does not maintain an inventory of computers, computer parts or repair history.

Recommendations:

The above examples support the need for a better-organized and supported management information systems department. A driver for the scanner could have been downloaded from the Internet or at minimum placed on a stand-alone computer. Reportedly in the three years the district has owned the scanner, it has worked for less than six months. The inability to print because of a lack of toner or ink cartridge could be resolved with the use of a petty cash account. It is therefore recommended that the district officials evaluate and restructure the MIS department. Critical to a successful reorganization is the appropriate staffing, clear definition of responsibilities, tracking of repair orders and adequate financial support.

The district's location near local community colleges and several universities allows the district access to students who have educational background in MIS. Often these students offer their services at a wage of \$11 per hour. The team cannot recommend additional full-

time staff, since the MIS department does not maintain statistics on the departments responsibilities: however, based on our observations it is recommended the district consider employing additional part-time employees at a value-added enhancement of \$15,840. This will provide additional, flexible staffing to the department on an as needed basis.

Value Added Enhancement: \$15,840

The district should consider evaluating the adequacy of the technology manager's salary. An increase in the salary would attract highly skilled individuals in office automation and technology. The district should even consider changing the title from manager to director. Based on our review, it is therefore recommended that the district perform a comparative salary and qualification analysis with other school districts to determine if the current technology manager salary and qualifications requirements are appropriate.

Value Added Enhancement: \$10,000 - \$15,000

Technology Plan

A technology committee made up of district employees and community members created a technology plan in 1994. In October, 1997 the board approved an update to the technology plan developed by the superintendent, business administrator and supervisors. It appears that there were no community members or skilled computer specialist involved in the update. This is apparent, as the plan did not conform to technology levels available at the time it was written. For example, the plan called for the use of computer processors no longer available or Y2K compliant. Had the processors been available, the corresponding motherboards would limit future upgrades. There are even references to installing computers in faculty rooms with 500-megabyte hard drives and 5.25-inch floppy drivers. Had all the software discussed in the plan been installed on a 500-megabyte driver, there would be little room for user storage, and 5.25-inch floppy disk drives are no longer made and, generally, unavailable.

The team also found a lack of budgeting/forecasting in the plan. It includes the \$1,675,202 five-year lease purchase the district performed in 1995, but not the cost of future needs. For example, the plan calls for an additional lease purchase financing of major computer hardware within five years, but provides little information about the plan or its cost.

Recommendation:

Technology advances occur on a monthly basis, and, subsequently, over time lead to vast market price fluctuations. A technology committee that rarely meets and is not appropriately staffed with community members and experts, hardly serves the needs of the district, and leaves the district vulnerable for costly mistakes. It is, therefore, recommended that the technology committee should hold semiannual meetings. The first tasks of the committee should be to re-evaluate district needs and develop an appropriate budget. The board of education should review the plan, and when approved, budget the necessary funds for implementation in accordance with the projected timelines.

The district should also refer to the DOE publication, Educational Technology in New Jersey, for guidance in its efforts regarding educational technology. The publication addresses infusing educational technology in curriculum and the management of information for student achievement of the Core Curriculum Content Standards. The purpose is to accelerate the delivery of voice, video and data so that all districts will have the opportunity to share curricular offerings, ongoing projects and programs and professional development opportunities.

Computer Purchasing

Prior to 1995, the district had a limited investment in computers. In 1994, the district established a technology committee of community and district members to develop and implement a plan for the integration of technology in the district. The final plan called for the lease purchase of some 407 computers with supporting software and printers at a cost of approximately \$1,675,202. The plan also called for a network, cable wiring, upgrading of electrical systems designed to handle the new technology, and a television and videocassette recorder in each school room. The lease purchase was part of a ten-year lease purchase agreement that included facility alterations to some of the school buildings.

The cost of computers may be included as part of a larger long term lease purchase agreement, providing the total amount of money spent on computers is paid against the principal portion of the lease within the first five years. During this time, the computers are owned, not by the district, but, rather, the leaseholder and, therefore, may not be upgraded or disposed unilaterally without approval.

According to a prominent bonding and leasing firm, lease-purchasing agreements may incur up to 30% additional administrative cost over bonding and generally require mandatory insurance coverage based on the original cost until the conclusion of the lease purchase. Specifically, the district will incur additional cost for municipal bond insurance, legal fees, lessor fees and title insurance. Based on this information, it appears the district paid approximately \$30,500 in additional administrative costs over bonding. This does not include the additional cost between the interest rates of lease purchasing and bonding. The lease purchase agreement also requires the district to maintain insurance coverage on the original purchase value of the computers for the length of the agreement. In the year 2004, the lease agreement will still require the district to insure the computer equipment, even though most will have either been replaced or have little or no intrinsic value.

Recommendations:

The taxpayers should recognize that lease purchasing agreements cost more. Yet with the continual rejection of bond issues and school budgets, local school officials have little choice but to use the more expensive lease purchase agreement method to provide the needed technology for the district's students. It is, therefore, recommended the district consider funding all future computer purchasing through the regular budgeting process or short-term bonding, preferably five years or less. If a district needs to make a large investment in technology, the district should seek voter approval of a bond. Other districts have had

success when the referendum is presented for technology purchases only and are not included as a larger bond request. It also exempts the purchase from the existing budget cap allowing the district better flexibility in budgeting.

Each school has its own computer supply budget and is responsible for school inventories. This provides little control for the MIS department to insure that each school is ordering an adequate level of supplies, as made evident by the lack of toner cartridges in the high school. In addition, stock piling of supplies can also have negative impacts, as many ink cartridges have a limited shelf life. Coordinated and central ordering through the MIS department will allow the district better negotiating ability with suppliers in obtaining supplies. For example, the MIS department at a nearby regional school system negotiated and purchased at computer shows an ample supply of ink cartridges 30% cheaper than the prices offered by the district supplier.

Recommendation:

Centralizing all related computer responsibilities to a single department has a number of advantages. It offers coordination of budgeting, purchasing, distribution, and inventory control. Centralization of computer responsibilities will allow the district to provide better guidance, assistance and coordination to the administration and board of education regarding computer initiatives. However, the selection of educational software necessarily must involve input from those teachers and administrators who will be utilizing the software. It is recommended that the district consider centralizing the management and coordination of technology hardware, software and supplies to the MIS department.

Viruses

Viruses are “programs” designed to provide interruptions of normal computer operations, which can range in effect from nuisance to devastation. Some viruses even attempt to physically destroy certain components of the computer. Anti-virus software packages, with monthly updates, and daily backups are the best defense against a computer virus. The team was concerned that the former director adamantly opposed the purchase and use of anti-virus software packages. Instead, he believed that the existing operating system in programmed re-installation of key components of software every night was the best and most cost effective defense against computer viruses. However, certain viruses can immediately impact a system before a backup occurs. We also found that backups were not necessarily performed daily, as the library server in the high school had not been backed-up in two weeks. Furthermore, recent incidents of viruses appearing on the Internet and, subsequently, spreading through e-mail support the team’s position that the district needs to invest in virus software.

Recommendation:

The team has never encountered a computer system that is designed to be 100% virus proof. Given the importance of computers, software and the data stored on the district’s computers, it is recommended that the district obtain an anti-virus software program and appropriate licenses for installation on all district computers.

Year 2000 Compliance

School districts need to be diligent in preparing for the year 2000 (Y2K) computer problem. Essentially the Y2K problem deals with the inability of computer related technology to properly interpret and differentiate the difference between the years 1900 and 2000, mostly because of system design that uses a two digit field to store year information. As a result, software was also designed including this flaw and much of it is still in use today. The Y2K problem is made much more difficult as many operations, such as elevators, heating and air conditioning, lighting, alarm systems and fueling systems, are technology dependent.

At the time of the review, the district had not performed a Y2K assessment. In addition, changes in departmental staffing and related issues made it difficult to determine if the district planned on addressing the problem. Still, a complete operational assessment should be performed in order to determine the potential impact of Y2K upon the district.

Recommendation:

While no one knows the exact impact of Y2K, the key to a successful transition to the next century involves assessment, remediation and development of a corrective action plan. It is, therefore, recommended that the district develop a Y2K contingency plan. The New Jersey Department of Education may be a valuable resource in the development of a district plan.

Internet

Bordentown students have limited access to the Internet. An Internet service provider (ISP) provides free access to the district in exchange for housing an Internet server within the high school. The vendor provides a fractional T1 line that provides a 28.8-baud rate access between the schools. The district does not have a request for proposal (RFP) for the service, since the district receives the fractional T1 line for no additional cost. Still, there are various grants offered by Internet service providers and foundations that will allow the district to improve the overall access. Often these grants, which include long distance learning networks, are available through the local cable company and/or various vendors. The team was told by the former computer manager that the district has no plans to improve the connectivity of the service.

Recommendation:

As the Internet becomes more sophisticated, and increases in popularity and use, it becomes more important to explore all avenues for Internet service and current developing technology to improve access speed and student learning. For example, cable modems are capable of displaying a picture graphic photomap of the world approximately ten times faster than a T1 line. A T1 line is 36 times faster than the current 28.8-baud rate, which is currently available in the district. Slow speed information exchange affects the learning environment and can discourage or deter teachers from using the Internet. It is, therefore, recommended the district have the technology committee, in conjunction with the MIS Department, explore all available methods of Internet service delivery.

Business Office

The business office recently purchased a new mid-range computer system to support its current business office package at a cost of \$26,780. The purchase was necessary to address the Y2K issue, as the prior system was lacking in this area. Of the thirteen modules available, the district currently utilizes six modules. Early next year an online purchasing system, linked throughout all buildings and containing multi-user security authorization features, will be available to eliminate the need for paper processing of district purchases. Currently, secretaries or supervisors manually type purchase orders and forward them to the business office for data entry into the business office package. The electronic purchasing order system may even help the district eliminate the equivalent of one clerical position in the business office and/or schools. The team is unable to determine an actual cost since the product is not currently in production; however, it is estimated that the new module will cost about \$3,500 initially and \$1,000 a year for maintenance and updates. The district should realize a significant productivity increase and cost savings from implementation of the module.

Recommendation:

When the software manufacturer moves the new software to production, the district will have an opportunity to develop and streamline the purchase order procedures and processes in the district. It is, therefore, recommended the district consider contracting with the business software manufacturer for the purchase order software. Upon implementation of the package, the district should re-evaluate staffing levels in purchase order processing. It may be possible for the district to eliminate one clerical full-time equivalent (FTE) between the efficiency gained in the schools and the business office.

Cost Savings: \$27,260

COMMUNICATIONS

Telephone

In the 1997-98 school year, the district spent \$72,939 for communication services. District employees made approximately 109,934 phone calls, including 5,035 calls to other states and twelve calls to the foreign countries of Canada, Spain, Vanuatu, Australia and Gambia. The district incurred \$26,054 in toll charges for calls outside of the local calling area. The team identified 1,679 local directory assistance calls for \$587 dollars of which 38 were automatically dialed and 425 long distance directory assistance calls for \$318.75. The district also has two cellular phones assigned to the superintendent and director of maintenance and facilities. Excluding the cost of purchasing the phones, the district spent \$1,327.60 for cellular service.

In the educational setting, administrators are rarely unable to use a local line in making phone calls. Perhaps a less expensive communication system would be to purchase additional portable radios similar to the FCC licensed communication devices utilized in the transportation department. Through the use of mobile and hand held walkie-talkies, the transportation department has the ability to remain in contact with its work force at all times. The range of this

equipment is more than ample to cover 8.4 square miles of the district. The cost of the units would be limited to a one-time purchase of \$500 for a mobile unit and \$700 for a hand held unit. The district can then use pagers for those times the administrators cannot access a phone.

The district is currently working to reduce its telephone expenses. It has received proposals from three vendors for service and equipment changes but these proposals do not include cost savings. The district has recently analyzed its phone bill in detail and is currently working to reduce these costs.

Recommendations:

The district may achieve additional savings by restricting regional, long distance, and international phone calls. The local telephone company has the ability to block these types of calls for up to 50 phone lines in any large business. It is, therefore, recommended the district restrict regional, long distance and international phone calls from all district phones with the exception of supervisors and administrators. Individuals requiring non-local call service would need to log their call and reimburse the district for any non-business related calls. The district could reasonably save \$10,000 or over 1/3 of the existing cost. Furthermore, the district should explore the benefits of applying under the Universal Service Fund established by the Federal Telecommunications Act where the district may be eligible for discounts of up to 50%.

Cost Savings: \$10,000

It is also recommended the district restrict the use of directory assistance, as the phone company generally provides phone books for each phone. In addition, the district could install CD-ROM phone directories on the network with employee access.

Cost Savings: \$905

Cellular phones represent a luxury which costs the taxpayers \$1,327 annually. It is, therefore, recommended that the district should consider terminating the cellular phone service and investing in the purchase of additional communication devices currently in use by the transportation department.

Cost Savings After Initial Investment: \$1,327

Copiers

The district produces about 481,000 copies per year from four different locations. The district's yearly cost to lease, maintain, and provide needed supplies (excluding paper) for its copiers is approximately \$108,900. The table below shows the relevant data.

Bordentown Copier Activity and Costs - School Year 1997/1998 (1)

	Monthly Purchase Costs	Estimated Monthly Copies	Monthly Service Costs	Monthly Supply Costs	Total Monthly Costs	Total Annual Costs
Central Office	\$422	61,435	\$430	\$307	\$1,159	\$13,909
Clara Barton	\$1,114	162,177	\$1,135	\$811	\$3,060	\$36,717
BRHS	\$884	128,694	\$901	\$643	\$2,428	\$29,137
Peter Muschal	\$884	128,694	\$901	\$643	\$2,428	\$29,137
Total	\$3,304	481,000	\$3,367	\$2,404	\$9,076	\$108,900

MacFarland Junior School staff sent large quantities of copy work to the Clara Barton School.

The State of New Jersey recently issued a cost per copy contract which school districts can use. This method of purchasing enables districts to contract for photocopies rather than for photocopiers. Under this arrangement, the vendor provides the district with a copier for its use; the district does not rent, lease or buy the copier, but, rather, purchases the photocopies. The vendor includes all equipment, parts and supplies (excluding paper and staples) in the monthly cost.

This method of contracting has at least two advantages. First, it eliminates the need to purchase copiers, and to deal with the issues of selling, upgrading or trading them in. Second, the “cost per copy” focuses on the end result and captures all of the costs incurred to achieve that result. This provides an excellent way to compare alternative ways to obtain photocopies i.e., in house versus contracting out.

However, the maximum number of monthly copies is 100,000. As the data indicates three of the four Bordentown locations exceed the 100,000 per month copy standard. Another state contract is available to meet these high volume needs. The district recently purchased its copies under this contract. The costs in the above table are from the state contract.

Recommendation:

The review of the purchasing function indicates that the district obtains very good value for the purchasing dollar. Moreover, even though the district does a very good job, there are ongoing efforts to make procedures even more effective. The business administrator is a former purchasing agent from a large district. Her knowledge and experience are reflected in the high standard achieved at Bordentown.

INSURANCE

General Policy

Insurance protects taxpayers from losses and unexpected costs as related to the daily operations. A review found the insurance levels sufficient to provide the district with the necessary coverage. The following table shows the premiums for the 1997-98 and 1998-99 school years;

Policy Type	1997-98	1998-99
Commercial Package	\$60,389	\$55,445
Workers Compensation	\$106,149	\$100,842
Excess	\$13,064	\$12,578
School Board Liability	\$4,178	\$4,742
Travel Accident	\$500	\$750
Salary Continuation	\$12,293	\$13,576
Bond	\$1,229	\$1,229
Total	\$197,802	\$189,162

There was a decrease in premium in the primary insurance, which was appropriate and expected with the softness of the existing insurance market. When asked for the RFP for the bidding of insurance, the district was not able to produce the documentation.

Recommendations:

The district probably will continue to benefit from the existing competitive insurance market; however, in order to guarantee the best price, the team recommends the district contact other Joint Insurance Funds (JIFs) for comparative bids.

Risk Management

The district has the responsibility to provide a safe and secure facility for the students and employees. A consistent effort toward this goal reduces work/school-related injuries and claims and ultimately results in lower premiums for insurance costs. As part of the review, the team examined documents relating to insurance coverage and toured the district's facilities. The following is a list of some of the conditions that were found which need attention:

- Empty boxes were stored in front of electrical panels at all four schools.
- Stage props were stacked in front of electrical main boxes at the high school.
- Stage props at the high school were piled 10-15 feet high over a make shift storage area on the stage.
- The stage areas of the high school and Peter Muschal School were used as storage areas.
- The daycare program at the high school was in a substandard room where children must enter and exit through the woodshop.
- The high school's hallways were used for permanent storage of the wrestling mats.
- The weight room (approximately 800 square feet) houses 17 pieces of exercise equipment in addition to free weights. The room lacks proper HVAC and was missed during the last Department of Education monitoring.
- The maintenance shop at Peter Muschal school has the school's main natural gas lines directly over the main shop area and heavy-duty equipment.
- Heavy-duty maintenance equipment including fuel, lawn mowers, and an automobile were stored next to the kitchen area at the Peter Muschal school.
- Open and exposed computer equipment and wiring were in the high school library.

The team asked the business office about the current status of the safety committee and found the district business administrator and director of maintenance are the only individuals assigned to the safety committee issues. The review team does not consider this arrangement an adequate substitute for a safety committee.

Safety committees are an integral component of adequate risk management. The team procured documents indicating that the district’s JIF administrator had offered to tour and make appropriate recommendations at no cost to the district. The business administrator turned down the offer based on her own recent tour and monitoring by the NJ Department of Education. In a follow up letter to the business office, the insurance company strongly urged the district to establish a safety committee, as it is a mandatory requirement of the risk management program. As strongly stated by the third party administrator of the JIF, “monitoring of operations should not be limited to doing an inspection checklist once a year and periodic state monitoring.” Control of the conditions and practices that produce accidents should be a constant effort. A safety committee provides many “eyes” for the constant vigilance of reducing risk, and requesting an insurance safety review allows for a review by an individual not accustomed to the surroundings. Furthermore, a review of the district records during the time since joining the current insurance fund shows a total of 32 workers’ compensation claims from 1995 - 1998.

Recommendations:

Proactive risk management insures a safe educational and work environment for students and district employees. Regular safety meetings show employees how seriously the administration promotes a safe working environment and is a mandatory requirement of the district’s insurance fund. It is, therefore, recommended the district establish a safety committee staffed by employees from each facility. The committee should be responsible for a written report of all issues and proposed corrective actions, which should be available to all affected employees and the Board of Education.

The team also recommends the district request assistance from the third party administrator in performing an objective district safety review and assistance in establishing and training a committee.

Workers’ Compensation

Through its insurance vendor, the district contracts for workers’ compensation with the School Alliance Educational Liability Fund. The table below outlines what the district paid for coverage and what the policy paid out. As the table shows, with the exception of the 1997-98 school year, the district has been paying a substantial amount for coverage, while having a limited amount of claims.

School Year	# of Claims	Insurance Pay-out	Cost of Policy
1997-98	12	\$47,385	\$106,149
1996-97	17	9,587	112,000
1995-96	3	7,500	126,800
Total	32	64,472	344,949

Three year average	10.7	\$21,490	\$114,649
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Recommendation:

The existing workers' compensation insurance is not subject to an audit by the district. The inability to request an audit prohibits the district from determining the validity of the fund's salary base compared to the districts actual salary which the insurance fund uses to determine its rates. It is, therefore, recommended the district petition the fund to change the non-audit feature of the plan.

BUSINESS OFFICE

Purchasing

This section analyzes the district's purchasing function. Only about \$3.6 million or 20% of the district's \$16.6 million in school year 1997/1998 expenditures are for purchased items. The majority of the district's expenditures are for salaries (\$10.6 million), TPAF and social security contributions (\$1.0 million), and health benefits (\$1.4 million). The district spent the \$3.6 million to purchase textbooks, supplies, equipment, contracted services, heat and electricity and other such items. These types of purchases are the focus of this section.

The district processes roughly 4,000 purchase orders per year. Generally, the purchasing procedure is that prior to the end of the school year, each school, the child study teams, transportation, maintenance and the central office submit requested items to the business office. These requests are reviewed, consolidated where appropriate, and approved by the business administrator and the superintendent. In May the district goes to bid for custodial supplies, school buses/vans (if budgeted), and printing of office forms. Also, in May the district purchases its school and office supplies, excluding paper, under state contract vendors. The district also uses state contracts to purchase tires, fuel oil, gasoline and copiers.

The business office works with the various functional units in the district and with vendors to ensure that all purchasing is done as uniformly as possible. These practices help to ensure that the most frequently used items are purchased at the lowest price. For example, the district places one order for ink jet cartridges and laser toner cartridges from a state contract vendor. The district also selected a telephone vendor that resulted in reducing the costs of some in-state calls by roughly 50%.

The district also works extensively with other government agencies to reduce purchasing costs by establishing joint, inter-local, or other purchasing agreements. There are numerous examples. First, the district's buses and other vehicles receive their gasoline from the district's 5,000-gallon gasoline tank. The tank is computerized with individual read-outs by vehicle and user key. As noted, this fuel is purchased under state contract. The district is in the process of developing inter-local agreements with the city of Bordentown and the Bordentown Sewer Department. The agreement will allow these agencies to purchase gas from the district at a \$.05 per gallon administrative charge over the state contract purchase price.

Second, the district purchases copy paper through the Pittsgrove paper consortium, which includes numerous other school districts. According to the Pittsgrove School District, the price is 10% below the state contract price and the vendor meets all of the terms and conditions of the state contract. Moreover, to ensure that the lowest price is obtained, the Pittsgrove School District periodically obtains bids from various vendors.

The third example of the district's effort to reduce purchasing costs is the purchase of natural gas from the Northern Burlington Natural Gas Consortium, which began in 1995. Because of changes in the tax laws related to natural gas, the district is currently deciding whether or not it benefits the district to continue this relationship. Fourthly, the district purchases salt and sand from Bordentown Township.

The district has plans to improve the purchasing process even more. First, the district is currently looking at automating the purchase process. This will enable the district to streamline the process and more easily combine purchases to more effectively take advantage of quantity discounts. Second, the district plans to look more closely at the purchasing of plumbing, electrical and "fill in" custodial supplies. The business administrator believes that if the district had better planning in purchasing these items, it would save the time currently taken by employees to pick up these items. The district is also looking at bulk storage of paper as a way to reduce costs even further.

Fixed Assets

The district has addressed the issue of fixed asset control and inventory. The recent conversion to Generally Accepted Accounting Principles (GAAP) for New Jersey school districts mandated that each district set up a General Fixed Asset Group of accounts and provide an inventory method to quantify the historical costs of fixed assets for the district.

Bordentown has an asset list that is maintained by a consultant using the district's data. The consultant updates the asset list based on the district's additions and deletions information. The asset list is updated annually and reports are generated as needed. The vendor provides bar tags to mark equipment. The district submits reports to the insurance company that insures its properties. The district paid an initial \$12,000 and now pays \$1,200 per year for the service. The Business Administrator (BA) considers this a good value.

The district has a policy for disposal of unused or broken school equipment and supplies. Each year the district disposes of a few items of unused or broken school equipment.

Inventory Control

The inventory control system in Bordentown is generally centralized for ordering but decentralized for storage and monitoring usage. Each principal determines the amount of supplies needed and the business office combines all requests and purchases in bulk once per year. When the supplies are received, they are stored at each school and the business office. Each principal is responsible for distribution and monitoring of supply usage throughout the year and submits purchase orders on an "as needed" basis if additional items are required. Each principal informs the business office of the paper needs of the school and the business office staff

goes to each school to confirm current inventory and then coordinates the buying and storing of paper.

Cash Management

This section analyzes the district's management of its cash balances. Specifically, the review team assesses whether the district obtains competitive interest rates from banks and whether it operates efficiently e.g., by monitoring bank fees, maximizing interest earnings and combining or closing small accounts to reduce bank charges.

The district generally manages its cash balances well and receives a good interest rate on its cash balances. The district receives a good rate because it obtains competitive proposals from various banks for its business. However, if the district would more closely monitor its cash balances, it could earn up to an additional \$2,800 per year in interest.

The analysis of Bordentown's cash balances is based on discussions with the business administrator who is directly responsible for managing the district's bank accounts. We completed a detailed analysis of twelve monthly bank statements for 1997-98 for the major bank accounts to identify average daily balance, fees charged, interest paid, if any, and the interest rate. For smaller accounts we completed detailed analysis only for selected months.

The team compared the district's bank rates to the New Jersey Cash Management Fund (NJCMF) and to the 90-Day US Treasury CD rate. Unlike banks, these funds do not provide banking services and they are not required, as banks are, to keep 10% of their balances on hand. These funds, therefore, earn interest on their total balance. We made the following adjustments in order to make a fair comparison between the rates paid by these funds and bank rates. First, that portion of the bank account balance that was used to pay for fees was excluded from our analysis. Second, we reduced the remaining balance by another 10% to account for the bank's reserve requirement.

In cases where no interest amount was earned, different adjustments were required. In these cases, banks did not charge fees and, hence, there was no offsetting balance, and they did not take the 10% reserve requirement. In order to compare the interest rates on these accounts we estimated fees based on our experience with banks statewide and reduced the remaining balance by 10% to account for a reserve requirement.

All of the district's bank account balances total \$1.3 million. The district maintains accounts in four different banks, plus the NJCMF. LGBR supports the district's idea of having accounts in more than one bank as it fosters competition among banks. Also, dealing with more than one bank helps to keep the district informed of new developments and products in the banking world. However, maintaining funds in four different banks creates a slight increase in administrative costs from dealing with different types of statements and the need to call a larger number of banks to resolve problems or questions regarding accounts.

Recommendation:

The district should consider using two rather than four different banks. This would continue to foster competition, keep the district informed of new banking developments, and minimize administrative efforts.

The district maintains a competitive environment among banks in the area by periodically receiving proposals for its banking business. In February 1997, the district requested and received proposals from several banks.

The district maintains nearly 70% of its balances in one bank in five separate accounts. These accounts are grouped together to enable the district to receive a higher and a more uniform interest rate than it would otherwise receive. In 1997/1998 the bank paid the district approximately \$31,000 in interest. The bank receives payment for services by adjusting the interest rate it pays. The district earned 3.7% interest on its balances. Our comparison of this interest rate to the 5.40% average NJCMF rate indicates that the district receives a good rate.

However, the district could increase the amount of interest earned by more closely monitoring its major account balances. On 61 consecutive days the balance in the main account did not go below \$1,000,000. Funds could have been transferred to the district's NJCMF fund that paid 1.7% higher interest. This rate would have earned the district an additional \$2,800 for the 61 day period (including the cost of wiring the funds). By looking for periods when large balances exist (such as \$1,000,000) for a considerable period of time (at least 30 days), the district would avoid the excessive administrative effort and wiring fees that result from more frequent fund transfers.

The district earns a good interest rate on all of its remaining accounts. The rates range from 5.4% on its NJCF account to 1.0% to 2.0% on other accounts. We consider the 1% or 2% rates to be adequate because the bank does not charge any fees and a 10% reserve is not taken. Considering the low balances in these smaller accounts, the bank is paying the district reasonable interest rates. More typically, a low balance account does not earn interest and, in some cases, these accounts are charged a service fee.

Recommendation:

The district should analyze the cash balances in its main account more closely to identify periods when significant balances will exist for a considerable length of time. Temporarily transferring large balances to a higher interest account will increase the district's interest earnings by approximately \$2,800 and minimize the amount of administrative effort and the costs involved.

Revenue Enhancement: \$2,800

Surplus Funds

Surplus funds (i.e., unreserved, unallocated fund balances) are included in a district's budget in order to provide funds for emergencies or other items beyond the district's control. Sound financial controls are required to ensure that surplus funds are accurately estimated. Accurate estimates are important because overestimating surplus (i.e., having less than anticipated) can lead to cash flow shortages, delayed payment of bills, drastic cutbacks in expenditures, etc. On the other hand, underestimating surplus (i.e., having more than estimated) could mean that the district raised more taxes than necessary to fund operations. Surplus amounts are created by the interaction of revenues, expenses, and current year surplus.

It is important to understand the three interacting elements that create surplus. One is the amount of surplus that will be left over in the current year (current year surplus). A portion of this is usually carried into the next budget year. The second and third elements are the amounts of revenues and expenses that occur in the proposed budget year.

The district's ability to accurately estimate surplus is a function of its success in establishing sound financial controls. These controls ensure that the district: develops accurate surplus estimates; monitors accounts to determine that it achieves the revenue and expense estimates in the budget; and, takes corrective action when significant deviation from these estimates occurs. For example, if actual expenses start to exceed estimated amounts, then expenses may be reduced to avoid deficits.

There are critical aspects of school district revenues, expenditures, and current year surplus that enable school districts to accurately estimate surplus. In terms of revenues, when the Bordentown Regional School District prepares the budget, school officials know at least 90% of the amount of revenue it will receive for the upcoming year. Over the past four years (starting in 1994/1995) the percent of the district's revenues that come from the local tax levy and from state aid have ranged from a low 91.6% in 1994/1995 to a high of 96.2% in 1997/1998. Over this time period the amount of revenue anticipated and actually received was exactly the same, except for a \$3,554 net decrease in 1994/1995. Consequently, local school officials have specific knowledge of at least 90% of the amount of revenue the district will receive in the next budget year.

Approximately 80% of regional district expenses are for salaries. Except during contract renewal periods, district officials know salary amounts for all positions in the next budget year, either through contracted labor agreements or particular position amounts. Therefore, the district can identify fairly accurately the total salary amount needed. Moreover, other than additional staff due to unanticipated increases in student enrollments, these estimates are usually higher than that which is ultimately needed because of employee terminations, retirements, and resignations.

The non-salary portion of the budget, the remaining 20%, is somewhat more variable. However, many of these costs can be accurately predicted and accounted for through contracted service and purchase agreements with specific prices or ranges. Also, a Capital Reserve Account can be established to set aside funds to coincide with the expected life of major equipment, buses, or building repairs, as authorized by statute (N.J.S.A. 18A: 21-1 et seq.).

In terms of the amount of surplus left over in the current year, annual budgets are resolved by March each year. This is when the district estimates anticipated surplus in the current year. At that point the district has had nine months experience to estimate expenditures and revenues for the last three months of the year, so these estimates should be reasonably accurate.

The above information indicates that district officials can accurately estimate current year surplus, revenues and expenses in the proposed budget year. The variable decision, however, is the amount of funds that should be left as surplus i.e., unreserved, undesignated fund balance. This amount varies according to the number and extent of items in the budget where costs are

variable. In education, some of the more variable items are special education costs, enrollment changes, transportation costs, costs related to facility improvements in older buildings that may not have been anticipated, and any employee contract costs related to negotiations in progress. Any delays or shortfalls in the receipt of revenues can also impact cash flow and the need for surplus. The amount of surplus to leave in a budget can range from about 2% to a legal maximum of 6% of anticipated expenditures for districts with General Fund Appropriations of \$100 million or less.

A review was made of district financial control over surplus funds for the past four years. The district record is generally good in estimating surplus amounts. The actual surplus was significantly less than the estimated surplus in two of the four years. However, that trend was reversed in the most recent two years, when the actual surplus exceeded the estimated surplus. In the 1995-96 school year, the available surplus reached a hazardously low level of 0.5% of total expenditures, potentially exposing the district to cash flow problems and insufficient funds to meet any developing emergencies. However, actual surplus amounts have more than doubled in each of the following two years. As indicated in the table below, the average actual surplus over the four-year period is 1.75%, while the average estimated surplus for the four years is 3.0%

Surplus Estimates & Actual Surplus				
School Year	Surplus Estimate	Surplus Estimate- Percent of Total Expenses	Actual Surplus	Actual Surplus- Percent of Total Expenditures
1997/1998	\$228,314	1.4%	\$598,042	3.6%
1996/1997	\$180,814	1.1%	\$228,314	1.4%
1995/1996	\$382,951	2.4%	\$80,814	0.5%
1994/1995	\$1,106,858	7.1%	\$228,044	1.5%
Average		3.0%		1.75%

Estimates of expenses and revenues also impact on these surplus amounts. The district does a good job in estimating these amounts. In terms of expenditures, the district always overestimates them by a small amount, ranging from 1.2% in 1996/1997 to 1.9% in 1995/1996. Spending less than anticipated increases the amount of surplus in the current year, which may be appropriated as revenue for the following year.

Expense Estimates As A Percent of Original Estimate

School Year	Estimated Expenses	Actual Expenses	Amount of Overestimate	Percent of Overestimate
1997/1998	\$16,102,129	\$15,835,092*	\$267,037	1.7%
1996/1997	\$15,881,881	\$15,693,304*	\$188,577	1.2%
1995/1996	\$15,736,083	\$15,439,521*	\$296,562	1.9%
1994/1995	\$15,615,338	\$15,367,056	\$248,282	1.6%

* Excludes TPAF amounts to make comparisons more accurate.

The district historically underestimated revenues in three of the last four years. In 1995/1996 the district had less revenue than it anticipated, a full -1.4%, which was due to a shortfall in

miscellaneous revenue. It is noteworthy that the combined total of revenue estimates for the four years was within \$1782 of the actual revenues. Overall, district officials have provided reasonably accurate estimates of revenue, as indicated in the following table.

Revenue Estimates As A Percent of Original Estimate

School Year	Estimated Revenues	Actual Revenues	Amount of Underestimate	Percent of Underestimate
1997/1998	\$15,924,474	\$16,010,946*	\$ 86,472	0.5%
1996/1997	\$15,542,106	\$15,586,909*	\$ 44,803	0.3%
1995/1996	\$14,926,304	\$14,710,025*	-\$216,279	-1.4%
1994/1995	\$14,320,542	\$14,403,764	\$ 83,222	0.6%

* Excludes TPAF amounts to make comparisons more accurate.

In summary, during the last four years district officials believed that an average estimated surplus of 3.0% of total expenditures would provide adequate financial protection from unexpected and/or emergent situations and managed to operate the district with an average actual surplus of 1.7%. The district should continue to do a good job in estimating expenses, revenues and surplus. Sound financial controls enable the district to maintain actual surplus amounts to provide a prudent financial reserve and minimize the property tax impact on its citizens.

Any further actual reductions in the estimated surplus amount cannot occur until the 1999/2000 school year. At that time, the 1998/1999 audit will be complete, and the continued effectiveness of the financial controls in effect will be known. Within the limitations of DOE regulations, the acceptable level of unreserved, undesignated fund balance remains a discretionary issue for the Board of Education to resolve, after consultation with central office administrators.

Recommendation:

As district officials contemplate the expansion of the sending/receiving relationship with New Hanover, it should be recognized that the amount of tuition payments would increase if more students were received. Any potential delays in timely receipt of tuition payments necessarily affect cash flow and the need for district surplus. In view of the past surplus history in the district and potential future developments, district officials should strive to maintain an actual surplus between 2.5% and 3% of expenditures. In appropriating surplus, it must be understood that any resulting property tax impact will remain in effect for one year only, unless the appropriated amounts can be repeated in future years. With the June 30, 1998 surplus of 3.6%, or \$598,042, the district could appropriate within one or two budget years between \$99,133 and \$182,285 and remain within the 2.5% to 3% ranges.

One Time Revenue Enhancement: \$99,133 - \$182,285

Grants Management

The business administrator and the director of special services administer the district's grant program. Staff members within the requesting departments are responsible for preparing grant applications. During the past three years the district received 28 grants from federal and state

programs, as well as the private sector. During the 1995-96 school year \$255,658 in grants were awarded to the district and during the 1996-97 school year this amount increased to \$273,404. When comparing the past three years, the district increased its grant income by \$152,990 over the 1996-97 school year and \$172,150 over the 1995-96 school year. Most of the increase was in the area of entitlement grants.

During the 1997-98 school year, the district applied for 30 grants totaling \$548,124. Seventeen grants were awarded with a total value of \$427,808. Seven of these grants totaling \$255,095 were federally funded and eight grants totaling \$166,285 were state funded for a combined total of fifteen entitlement grants. The district applied for fifteen competitive grants from the private sector totaling \$120,316, but only two grants totaling \$6,454 were awarded.

It appears that the district makes the best use of the funds it receives from all sources. All indications are that the funds are used appropriately as intended and within the time frames of the program. Those grants, which allow for fund carry over, were properly dealt with as prescribed in the program guidelines.

Competitive grant writing can be a difficult and time consuming task and grant application successes or failures can often be a result of the choice of the words used. It is a specialized field for which everyone is not suited. The district should consider, as an alternative to its current competitive grant writing practices, employing a grant writer, or contracting out this service for competitive grants offered by the private sector. As an advantage to the district, the salary could be a nominal fee per grant written, plus a percentage of the funds awarded. With this form of payment the district would not incur a significant payment unless the grant was awarded. The incentive for the writer would be that earnings are tied to the success of the grant application process.

Recommendation:

Since most of the grants received by the district have been non-competitive entitlement grants, it is recommended that the district pursue additional competitive grant programs. District officials can contact the NJDOE web site for current information on grant opportunities. In addition, the district should consider hiring a competitive grant writer or contract out this service to a professional grant writer for a percentage of the funds awarded on a competitive basis.

FACILITY MANAGEMENT

The LGBR team generally tours all facilities and grounds focusing on the conditions and upkeep of each facility. District facilities consist of seven buildings; four schools, an administration building, a historic building, and a transportation facility (totaling approximately 300,000 square feet), which are located on almost 65 acres of land. MacFarland Junior School is the oldest school, built in 1924. Clara Barton and Peter Muschal schools were both constructed in 1953

and the high school in 1965. The district has a transportation facility constructed on the high school property and a historic school located in Bordentown City.

Each school has a basic maintenance shop, with the primary workshop at the high school. The staff is dedicated in its many efforts to save taxpayers' money. For example, the maintenance department recently replaced the high school's wooden field bleachers with aluminum seating. Rather than discard the wood, the department used the old seating for constructing cabinets and tabletops. The department uses leftover metal from sheet metal shop for projects around the district. The efficient use of old material and recycling of existing materials is a tribute to the maintenance director's leadership. While the cost savings of these endeavors are substantial, a realistic estimate of dollar amounts was not readily available. The maintenance department handles all engraving, keys, repair of videocassette recorders and other electronic equipment. The maintenance staff also handles all grounds work, including snow removal.

Staffing

According to district payroll and other documents, the facilities and maintenance department consists of three maintenance workers and a district director who also oversees thirteen custodians. Peter Muschal and the High School each have a maintenance person, while the proximate location of the Clara Barton and MacFarland schools enable them to share one full-time maintenance worker. The department shares a secretarial position with the transportation department. The district payroll for the maintenance department was \$193,612 during the 1997-98 school year.

According to the CAFR, the district spent \$1,391,218 for operations and maintenance of plant services for the 1997-98 school year, compared to \$1,307,496 for the 1996-97 school year. This was an increase in spending of approximately one-half of a percent. The LGBR team could not separate overtime for custodial and maintenance services because the business office does not keep individual records by departments. The district estimates that overtime represents about 8% of total salaries.

Five Year Facility Plan

The New Jersey Department of Education (NJDOE) requires each school district to maintain a five-year long-range facility plan. The plan helps the district identify facility needs relating to both district growth and plant maintenance. We reviewed the district five-year facility plan and found the plan entirely dedicated to district projections of student population growth. At the NJDOE's direction, the district submitted a three-year expenditure plan for the 1997-98, 1998-99 and 1999-00 school years. The LGBR team noticed that the district plan calls for lease purchase financing of most major expenses, such as window replacement, roof replacements, A/C for guidance and faculty rooms, fire alarm replacement, boiler replacement and freezer/refrigerator replacement.

The LGBR team questioned the director of maintenance about the various construction and facility needs, as the team noticed facility needs that were not included in the facility plan. For example, the fibrous ceiling in the all-purpose room of MacFarland School was damaged from physical education activity. The same room serves as a lunchroom. The maintenance staff

reported that flakes and fiber from the ceiling are often on the floor. The high school still has original water-stained ceiling tiles dating back 10 years when the roof was replaced due to leaking conditions. There were also problems with storage of wrestling mats in the school halls and a substandard weight room and childcare room. Several district employees cited the current transportation facility as another example of questionable facility management. Apparently, a recent addition was built to accommodate a telephone pole next to the building. Subsequently, when the district mechanic is working on the rear of the bus, the worker must exit the garage and walk around the building to gain access to the front of the bus. The team was informed that the director was generally not included in facility planning meetings.

Energy Management

For the 1997-98 school year, the district spent approximately \$266,285 with \$221,769 for electric, \$35,457 for gas and \$9,059 for street lighting. All of the buildings have been renovated or modified, the latest structural changes occurring in 1995. Recent improvements include new energy efficient windows for the MacFarland, Clara Barton, and Peter Muschal schools. At the conclusion of the review, the district began upgrading windows at the high school. The facilities department reported the systematic replacement of standard fluorescent ballasts with more energy efficient ballasts. The district has not had an energy audit performed since 1990. One recommendation that has often appeared in energy audits is the replacement of traditional lighting with the new fluorescent lamps called T8 lamps. These lamps are thinner in diameter and operate with electronic ballast. By upgrading current fixtures with these new state-of-the-art components, the district could save 35-60% of the lighting portion of the utility bill.

Recommendations:

The five-year facility maintenance plan enables district officials to plan and budget for facility needs to meet projected growth or decline and maintenance needs. The plan should be developed by a facility committee, which should include the director of maintenance and grounds. The district is in the decision stage to either modify existing schools or construct a new school. Still, a well-developed facility plan that is reviewed annually provides the board with valuable information. It is, therefore, recommended the district consider developing a new five-year maintenance facility plan. District officials should consider asking local community members and elected officials from the municipalities to help with the assessment.

An alternate recommendation is for the district to hire a professional engineering firm, who specializes in schools, to tour and evaluate the facility needs of the district. An engineering firm, unlike an architect firm, will have greater experience in structural needs as it relates to the construction code requirements. Their report should include an energy audit with recommendations relating to more recent energy management technology.

Value Added Enhancement: \$ 3,000 - 5,000

Fuel and Heating Gas

The district participates in a county consortium for heating gas. There are plans to join a larger consortium in 1999. All automobile and diesel fuel are purchased under state contract and are delivered to a new, above-ground storage tank on the high school grounds. Access to the pumps is restricted via an electronic key card system. The LGBR team commends the district on its efforts to save money through the gas consortium and bulk fuel purchase.

Enrollment Projections

School districts should be concerned with projected enrollment, as increasing student populations affect student/teacher ratios, facility needs, and the instructional environment. The Bordentown Regional School District and Bordentown Township both recently performed studies designed to estimate the impact of new construction on student enrollment. We reviewed both studies and found they used multipliers based on the 1970 and 1980 census records. A multiplier is a number multiplied by the number of new construction units to identify the number of school-age students the development will generate. For example, the Township study established each new three-bedroom house would generate 1.11 multiplier of school-age children. A regional multiplier of .847 school-age children has been established for all new single home constructions using one to five bedrooms. When the LGBR compared these multipliers to the actual number of school-age children a new development within the district generated, we established a multiplier of .9. In other words when multiplying against the Bordentown Township 1,584 new single family homes (approved and potential), the school district could project 1,758 new students using the municipal number, 1,341 students using a regional average and 1,425 using the LGBR multiplier based on the local development. These estimates do factor in that 4 to 24% of the children will attend a private or parochial school. It is not the intent of the LGBR team to establish a multiplier, but rather to make the district aware of the variations in estimating projected growth, especially when it impacts upon the decision to modify or construct a school.

Historic Clara Barton School

The district maintains the original Clara Barton School, which has a historical classification in Bordentown City. The district is responsible for all maintenance and repair of the building. There is a local historical society that periodically donates paint and materials. However, the district must supply the needed manpower and materials to maintain the building. The district estimates that at least one hour a week is spent maintaining the facility. The building is in good shape with beautiful landscaping.

Recommendation

The Clara Barton Historical building is an intricate part of local community history. However, the district needs to evaluate whether the building is an educational asset to the district. It is, therefore, recommended the district consider transferring ownership of the Clara Barton Historical building to the local historical society. The district would save on the insurance and manpower costs in maintaining the building.

Annual Estimated Labor Cost Savings: \$1,000 + Materials and Insurance

Cellular Tower

The district entered into a ten- year land lease with a communications company to allow the construction of a cellular tower on district property for the purpose of improving wireless phone service in the area. The agreement will produce annual revenue of \$10,000 for the first five years and \$12,000 for the remaining time. There is an annual rent increase of 4% based on the prior year's rent. With interest, the entire lease purchase agreement has a value of \$120,058. In order to erect the tower, the district had to rezone 900 square feet of district property to commercial use

and, subsequently, incurred a municipal tax of \$4,819.40 annually. According to the lease agreement, the lessee pays any personal property taxes, use and occupancy taxes of the premises and installation. During the review the district was having difficulty in having the lessee meet their obligation of paying the related property taxes as specified in the lease. A review of the lease indicates some additional wording in the lease may have prevented this situation. Ultimately, if the taxes are not paid, the district may request the communications company to remove the tower from district property. Still, the LGBR team commends the district for its effort to hold the line on property taxes by generating an additional \$120,058 in revenue.

Recommendation:

The lease agreement for the cellular tower, which will generate \$120,058 over the life of the agreement, is an indication of district dedication and initiative in obtaining additional revenue to offset rising property taxes. Additional wording in the lease requiring that a year of property taxes be placed in escrow would have prevented the current situation. District officials should consider approaching the communications company and requesting that an amount equal to one year of property taxes be placed in escrow. The district should require this condition for all future land lease agreements.

Custodial

In 1994 the district privatized the cleaning aspects of custodial operations as a cost reduction. The district employs thirteen custodians for daily operations and monitoring of the cleaning vendor during the evening hours. This allows the district to have boiler licensed employees in the building during work hours and a staff for emergency cleaning needs. The team sought to compare the privatization service expense to the previous cost when the district employed its own work force; however, the team was unable to do this, due to the inability of the district to supply the records prior to privatization.

Because of the numerous complaints regarding the quality of the privatized cleaning service, the team decided to review the request for proposal (RFP) and the selection process. It was reported that the only recourse the school had was to withhold payment or “back charge” for poor quality services, but this often became an issue of opinion between the district and the vendor. The district has switched companies every year for the past four years due to the poor quality of work by the vendors. There was plenty of documentation supporting district claims, including written reports and photographs. The complaints focused on poor quality service and the inability of the vendor to provide a regular and dependable cleaning staff. Additional complaints centered around having different workers on a daily basis, an issue of grave concern in the educational environment. As a result, the district employs ten custodians for daily operations and cleaning the areas the vendor fails to clean properly. There is also a district custodian assigned to the evening shift, who acts as the district liaison for the cleaning company.

Recommendation:

School districts can protect themselves through stronger bid language that allows the district greater control in preventing or correcting problems with private contractors.

District officials should consider contacting the New Jersey School Boards Association for assistance in writing bid specification requirements and, consulting with the school board attorney on contract language and its remedies for breach of contract.

The district should consider adding language to its RFP requiring establishment of a vendor employee file, with photographs, finger printing and work authorization in the business office and at each cleaning site. Vendor employees must have at least two years employment. The district should then reserve the right to use a substitute custodian whose salary shall be deducted from the next payment made to the vendor.

The team generally compares the district cost per square foot to the American Schools and University's yearly maintenance and operations (M & O) cost study. This report provides a cost of school custodial operations of \$1.81 per square foot for the New Jersey-New York region. According to documents submitted by the district, there are 287,839 total square feet in the four schools and administrative office. The current vendor contract costs the district \$172,128 or \$0.60 a square foot. Adding in the district custodial staff salaries of \$335,135, or \$1.16 sq. ft. cost, the total cost per square foot is \$1.76 sq. ft cost or \$507,263 annually.

The team reviewed the bids submitted for the last RFP dated May, 1998. We found the existing vendor bid to provide boiler licensed custodians and security for a bid price of \$202,608, or \$.70 a square foot. The highest bidder for evening custodial services with boiler licensed custodians and security coverage was \$362,706 or \$1.26 per square foot.

It was reported to the LGBR team that the custodial and maintenance staff handles supply intake and distribution. In addition to paper, the department distributes pencils, markers, erasers and other light supplies to teachers as needed. While performing the inventory and distribution functions, these workers are unable to perform their designated responsibilities.

Recommendations:

There are three primary issues that affect the district's custodial cost: 1) the district uses day custodians to perform evening custodial cleaning responsibilities, 2) custodians perform non-custodial services such as supply inventory and distribution and 3) the district receives poor quality cleaning services by vendors. A stronger RFP should attract better companies, and while they may cost more, the district will receive better quality service and may have an option of further staff reductions after a trial period with a better vendor. Therefore, the district should consider replacing two full-time day custodians with two part-time positions at Peter Muschal and the high school for cost savings of \$49,122.

It is an inefficient use of skilled labor to distribute school supplies to the classrooms. While it may be appropriate for the maintenance department to stock the dozens of cases of paper the district receives, stocking the supply room with pencils and then distributing them to classrooms is inefficient. Therefore, the district should consider using teacher aides or volunteers for the purpose of receiving and distributing classroom supplies.

Cost Savings: \$49,122

FOOD SERVICES

A review of the food service program was conducted which included interviews with the food service director, business administrator and staff. All four kitchens were visited and food preparation was observed. Documents relating to purchasing, inventory, detailed expenditures, management reports, cost performance statements and Comprehensive Annual Financial report (CAFR) were reviewed for 1996-97 and 1997-98 school years.

The district maintains a separate enterprise fund as required by guidelines when state and or federal funds are received and fees are collected from students for meals served. The contribution made by the board to cover shortfalls was recorded as a lump sum entry. The subsequent table is a representation of the profit and loss for the program over the past two years.

OPERATING REVENUE:	1997-98	1996-97
Local Sources:		
Daily Sales - Reimbursable Programs:		
School Lunch Program	\$140,541	\$127,438
Special Milk Program	\$2,032	\$1,892
Daily Sales Non - Reimbursable Programs	\$101,344	\$111,074
Special Functions	\$24,614	\$30,901
Miscellaneous	\$0	\$44
Total Operating Revenue	\$268,531	\$271,349
Non-operating Revenue:		
State Lunch Program	\$6,066	\$6,435
National School Lunch Program	\$65,869	\$70,448
Special Milk Program	\$1,503	\$1,395
USDA Commodities	\$24,942	\$22,012
Miscellaneous Revenue	\$2,600	\$13,201
Total Non-operating Revenue	\$100,980	\$113,491
Total Income	\$369,511	\$384,840
OPERATING EXPENSES:		
Cost of Sales	\$371,809	\$378,612
Supplies and Material	\$12,835	\$20,538
Depreciation	\$21,730	\$12,378
Professional Services	\$2,500	\$2,500
Total Operating Expenses	\$408,874	\$414,028
Net Income Before Subsidy	-\$39,363	-\$29,188

Board Subsidy		\$23,405		\$30,000
Operating Gain (Loss)		-\$15,958		\$812

PMG Services, Inc. of Lumberton, NJ currently manages the privatized food service program. All cafeteria staff members are employees of PMG. Routinely cafeteria managers utilize student responses to questionnaires to determine the performance of the cafeteria staff, quality of food served and changes or additions they would like to see. Managers also pass out a form called "Cafeteria Yac". The form is use to collect ideas, suggestions and comments from student. It provides the students with an opportunity to air their views. They can let PMG know if they are doing something right and would like to see it continue or let them know what is wrong and suggest ways to change it. If the students would like a direct reply, a place for his/her name and grade/room is provided. As required, PMG meets with the Youth Advisory Committee on a regular basis to discuss new ideas and likes and dislikes of the lunch program and to conduct taste tests and promote good nutrition among students.

The district operates three production kitchens located at Bordentown High School, Peter Muschal Elementary and MacFarland Junior School. One satellite kitchen is located in Clara Barton Elementary school. The food for Clara Barton School is prepared at MacFarland Junior School. These two schools are located across the street from one another in Bordentown City. Food is prepared and placed into stainless steel transport cabinets and moved across the street by custodians. Once at Clara Barton, the units are plugged in to maintain proper temperature. The district does not have a breakfast program. The district's current lunch charges are \$1.70 in the elementary schools, \$1.80 in the middle school and \$1.95 in the high school. Prices were increased in 1997-98 school year for the first time in three years. The price increase reflected a ten-cent increase at the elementary and high school levels and twenty cents at the middle school. A special milk program is offered in the district.

During the 1997-98 school year the district served 107,248 meals. The table below shows the total meal break down for the past two school years.

	1997-98	1996-97	Difference	Per Cent
School Lunch Program				
Paid	77,635	72,879	4,756	6.5%
Reduced	10,186	10,768	-582	-5.4%
Free	19,427	22,875	-3,448	-15.1%
Total Lunches	107,248	106,522		

As the above chart shows, paid lunches increased 4,756, or seven percent, while reduced and free lunches both decreased by a total of 4,030 lunches.

State guidelines allow the district to charge \$1.85 at the elementary level and \$2.25 at the high school level. If the district were to raise their prices to match the state guidelines, the district would generate an additional \$17,856 annually based on current paid lunches.

Recommendation:

The district should consider raising lunch prices to reflect the current state guidelines.

Annual Revenue Enhancement: \$17,856

The district employs twelve lunch aides, eight at the Peter Muschal School and four at Clara Barton School. Each aide works an average of two and one half-hours per day for approximately 167 days. Starting salary is \$6.25, with a current high of \$8.00 per hour. The average pay is \$6.75 per hour. An aide should be able to handle 55 students. At Peter Muschal there are 651 students with two lunch sittings, which gives each sitting approximately 325 students. At 55 students per aide, 6 aides can handle each sitting. If the district reduced its cafeteria aide staffing by two aides it would save approximately \$5,636 annually.

Recommendation:

The district should consider reducing the staffing level for lunch aides at Peter Muschal Elementary School.

Annual Cost Savings: \$5,636

PMG recently implemented supplemental vending services in the high school. Aside from the typical carbonated soda machine, non-carbonated drinks, ice cream and cellophane packaged snacks were added. Guidelines allow non-carbonated drinks to be sold during lunch, as opposed to carbonated drinks (soda) which cannot be sold. All vending sales are reported as “a la carte sales” and are deposited directly into the district’s bank account. Each year approximately 33 billion dollars is spent on vending products in this country. Statistics show that a vending machine generates approximately \$.12 to \$.19 per day per student. Machines could be purchased outright or leased/purchased through PMG. The following cost benefit analysis shows the profit a district could realize with supplemental vending.

HS	
Student/Staff Population	586
Estimated Per Capita Spending Per Day	\$0.12
Estimated Sales Per Day	\$70.32
Projected Annual Sales (180 days)	\$12,657.60
Estimated Product Cost (55%)	\$6,961.68
Annual Lease Cost (\$115x12 mos.)	\$1,380.00
Estimated Profit	\$4,315.92

Recommendations:

The district should consider expanding the lunch program revenues by placing vending machines in all district schools. Estimated profits for vending machines in the other schools are:

Peter Muschal	\$5,404.56
Clara Barton	\$2,439.96
MacFarland	\$1,594.32

Total vending machine profits, for one machine in each school, are projected at \$13,750 annually. By placing two machines, one non-carbonated drink and one snack, in each school the district could generate a profit of approximately \$27,500. Machines should be strategically placed in all schools to allow access whenever the buildings are open.

Projected Annual Income: \$27,500

Enterprise funds should be self-sustaining. During the last school year, the board subsidized the lunch program by \$23,405. Vending machine profits, coupled with other projected savings, would help to eliminate the required board subsidies and make the fund self-sustaining.

Total Annual Revenue Enhancement and Savings: \$50,992

SPECIAL EDUCATION

Special education students are distributed primarily throughout the school district in self-contained classrooms in the elementary and middle schools. Clara Barton School has a self-contained classroom for multiply handicapped elementary school students. Peter Muschal School and MacFarland Junior School contain self-contained classes for learning disabled students. Schools also have less restrictive alternatives as well, such as supported regular education, in-class resource centers and pull out resource centers for a continuum of services. The high school provides “least restrictive environment” (LRE) instruction based on students’ needs.

There are currently 1.5 child study teams (CST) for the district, composed of two learning disabilities teacher-consultants, one social worker, and one psychologist, who function with each team. Three speech-language therapists and a secretary complement the CST’s. Additional staff include 16 certificated staff and nine aides, who cover mental health, perceptual impairment, resource room, and pre-school handicapped.

Bordentown Regional School District special education expenditures, exclusive of transportation, have increased a total of \$491,521 over the past three years (1994-95 to 1997-98), or an average annual increase of 8.9%. In contrast, over the same time period, total district expenditures have increased \$1,263,255, or an average annual increase of 2.7%. About 40% of the district total

increased expenditures over the past three years are attributable to special education. The largest increase in special education expenditures occurred in 1997-98 with a \$269,181 or 13.1% increase. Special education expenditures are presented in the following table:

Bordentown Regional School District	1994-95	1995-96	1996-97	1997-98
	Expenditures	Expenditures	Expenditures	Expenditures
Special Education Instruction	\$854,296	\$891,278	\$1,033,604	\$872,583
Perceptually Impaired	223,514	240,880	295,926	257,804
Multiply Handicapped	164,854	191,281	241,179	242,242
Resource Room/Resource Center	326,478	331,412	348,946	348,172
Preschool Handicapped (Part-time)	30,319	20,171	21,767	5,807
Speech Instruction	87,140	88,215	98,162	*0
Home Instruction	21,991	19,319	27,624	18,560
Undistributed Expenditures-Instruction	732,633	721,056	543,319	945,286
Tuition to Other LEAs Within State	117,056	58,558	7,717	37,114
Tuition to CSSD & Regional Day Schools	269,637	268,852	284,529	560,790
Tuition to Private School for Handicapped (In State)	322,094	389,363	251,073	332,049
Tuition to Private School for Handicapped (Out State)	23,846	4,283	0	0
Tuition to State Facilities	0	0	0	15,333
Other Support Services-Special Services	243,186	358,916	475,532	503,767
Salaries of Other Professional Staff	158,537	260,485	358,879	339,784
Salaries of Secretarial and Clerical Assistants	0	0	0	55,753
Purchased Professional - Educational Services	3,334	1,826	1,152	2,666
Other Purchased Professional & Technical Services	68,549	81,270	99,348	88,180
Other Purchased Services	1,525	1,985	2,476	2,819
Supplies and Materials	10,449	12,291	12,498	13,159
Other Objects	792	1,059	1,179	1,406
Sub-totals	\$1,830,115	\$1,971,250	\$2,052,455	\$2,321,637
Special Education Transportation	62,112	228,200	242,021	258,745
Pupil Transportation between Home-School	N/A	158,358	159,976	215,260
Contracted Services - Vendors	N/A	45,867	76,589	43,485
Contracted Services - Joint Agreement	62,112	23,975	5,456	0
Total Special Education Expenditures	\$1,892,227	\$2,199,450	\$2,294,476	\$2,580,382

Source: Comprehensive Annual Financial Report (CAFR) *Speech expenditures in 1997-98 were moved from line 216 to line 218 – Other Support Services-Students-Related Services.

The total expenditures for tuition to County Special Services School Districts (CSSD) and Regional Day Schools have increased by 97% from \$284,529 in 1996-97 to \$560,790 in 1997-98. This tuition increase occurred despite relatively stable special education enrollment figures and, more specifically, the number of students sent to CSSD. There were 44 students sent to CSSD in 1996-97, 45 students were sent in 1997-98 and there are 41 students in 1998-99.

The dramatic increase in tuition is primarily attributable to the change in funding for special education that took place under the Comprehensive Educational Improvement and Financing Act of 1996. This legislation changed the funding for CSSD so that these school districts no longer received state aid and instead bill the school districts for the entire cost. This change made these

special education tuition costs more comparable to private school placements. This has resulted in the average tuition cost of a CSSD placement rising from \$3,200 in 1996-97 to \$13,900 in 1997-98 and to \$15,200 in 1998-99.

The County Special Services School Districts were created during the 1970's as an alternative to private school placements, while still offering specialized education and lower teacher/student ratios for students classified as requiring special education. While local school districts do receive some additional state funding for special education, which offsets a part of these increased tuition costs, the net effect in some counties has been a reduction in the number of alternatives for securing cost-effective out-of-district special education placements.

In relation to comparative school districts, Bordentown Regional School District has the second highest per student special education cost, which includes instruction, support services and transportation costs.

	Bordentown	Burlington	Audubon	Roselle	Hackettstown
	Regional	Township	City	Park	
Special Education	<i>Burlington</i>	<i>Burlington</i>	<i>Camden</i>	<i>Union</i>	<i>Warren</i>
Undistributed Instruction	\$872,583	\$878,910	\$622,909	\$716,705	\$1,164,962
Undistributed Expenditures	945,286	1,102,647	501,520	431,920	493,921
Support Services	503,768	396,965	238,277	395,445	577,378
Transportation	258,745	406,157	136,044	120,143	178,403
Total Spec Ed	2,580,382	2,784,679	1,498,750	1,664,213	2,414,664
Instruction Cost Per Spec Ed Student	\$11,468	\$8,840	\$9,252	\$7,741	\$12,844
Special Education Enrollment #	225	315	162	215	188

Source: Comprehensive Annual Financial Report (CAFR) and NJDOE, Special Education Report. # In this comparison, special education enrollments do not include speech pupils.

These costs have increased despite a relatively stable classification rate, which is in the middle ranking among the five comparable school districts as indicated below:

	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
Bordentown									
Total Enrollment	1413	1445	1480	1557	1617	1661	1703	1772.5	1783
Spec Ed Enrollment	158	181	184	193	215	218	226	214	225
Classification Rate	11.2%	12.5%	12.4%	12.4%	13.3%	13.1%	13.3%	12.1%	12.6%
Burlington City									
Total Enrollment	1603	1616	1679	1744	1814	1936	2121	2236	2443
Spec Ed Enrollment	176	179	191	206	238	248	276	295	315
Classification Rate	11%	11.1%	11.4%	11.8%	13.1%	12.8%	13%	13.2%	12.9%
Audubon									
Total Enrollment	1254	1279	1310	1332	1364	1374	1414	1437	1458
Spec Ed Enrollment	130	137	144	155	157	153	160	145	162
Classification Rate	10.4%	10.7%	11%	11.6%	11.5%	11.1%	11.3%	10.1%	11.1%
Roselle Park									
Total Enrollment	1650.5	1628	1660.5	1735.5	1793.5	1864	1891	1900	1887
Spec Ed Enrollment	165	161	193	187	197	211	217	198	215
Classification Rate	10%	9.9%	11.6%	10.8%	11%	11.3%	11.5%	10.4%	11.4%
Hackettstown									
Total Enrollment	1280	1314.5	1282	1297.5	1241.5	1249	1233	1246	1234
Spec Ed Enrollment	118	129	136	148	161	165	175	183	188

Classification Rate	9.2%	9.8%	10.6%	11.4%	13%	13.2%	14.2%	14.7%	15.2%
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Classifications have not necessarily been growing in number but, rather, in complexity, especially in the areas of the multiply handicapped. As such, the disabling conditions interact in such a manner that programs designed for the separate disabling conditions reportedly do not meet the pupil's education needs. [NOTE: Eligibility for speech-language services is not one of the disabling conditions, which forms the basis for the classification of a pupil as "multiply handicapped".] This trend is indeed borne out by the following statistics:

Bordentown Special Education

Borden town	ENR	EMR	TMR	EDT	NI	PI	ED	MH	AHH	DB	OH	CI	VHP	CH	PRE	AUT	CST %
12/1/95	1703	2	3	0	10	83	26	72	0	0	0	3	2	5	15	3	226
12/1/96	1773	0	0	0	0	80	21	82	0	0	0	4	2	4	11	4	216
12/1/97	1783	4	2	0	9	87	20	80	0	0	0	2	2	5	12	4	225
Burlington																	
12/1/95	1703	0	0	0	2	121	29	54	0	0	0	0	0	2	10	0	221
12/1/96	1773	0	0	0	0	119	23	62	0	0	0	2	0	4	16	0	234
12/1/97	1783	0	0	0	7	119	21	59	0	0	0	0	0	4	14	2	230
Audubon																	
12/1/95	1703	2	2	0	3	141	14	14	0	0	2	2	0	3	10	2	192
12/1/96	1773	0	0	0	0	119	18	14	2	0	2	4	0	5	11	2	179
12/1/97	1783	2	2	0	4	119	27	21	0	0	0	4	0	11	9	2	198
Roselle Park																	
12/1/95	1703	3	3	0	10	148	14	2	2	0	0	0	0	2	10	2	196
12/1/96	1773	0	0	0	0	144	11	2	2	0	0	0	0	2	7	2	184
12/1/97	1783	4	4	0	11	159	11	11	2	0	0	0	0	4	11	2	203
Hackettstown																	
12/1/95	1703	0	0	3	39	155	12	20	0	0	2	0	0	0	7	3	242
12/1/96	1773	0	0	0	0	160	19	19	0	0	2	0	0	2	12	2	261
12/1/97	1783	0	0	4	52	159	20	20	4	0	0	0	0	4	12	0	271

Source: New Jersey Department of Education, Special Education Report

Classification Abbreviations

EMR – educable mentally retarded
TMR – trainable mentally retarded
EDT – eligible for day training
(Severely or profoundly MR)
TBI – traumatic brain injured
NI – neurologically impaired
PI – perceptually impaired
ED – emotionally disturbed
MH – multiply handicapped
AH-HH – auditorily handicapped
(Hard of hearing)
AH-D – auditorily handicapped – deaf

D-B – deaf-blind
OH – orthopedically handicapped
CI – chronically ill
VH-PS – visually handicapped
(Partially sighted)
VH-B – visually handicapped – blind
CH – communication handicapped
SP – eligible for speech-language svcs.
PRE, PH – preschool handicapped
AUT – autistic
SM – socially maladjusted

Of the 225 students classified by the child study teams (CST), 87 are perceptually impaired and 80 are multiply handicapped. The Application for State School Aid (ASSA) lists the remaining 58 students in the following categories: 41 are sent to County Special Services School Districts (CSSD), 11 attend private schools, 3 are sent to regional day schools and 3 are in a juvenile detention center setting. There are 78 additional students who have been classified by a speech therapist and receive speech instruction within the district.

The district has a relatively high number of multiply handicapped students. Many of these students are sent out-of-district to county special services school districts and private schools for the handicapped.

The district office of special services is implementing some new programs to deal with the multiply handicapped classification. Examples of this include the special education advisory committee that attempts to network parents of classified children. Specifically, a mentoring program was established, whereby, parents of previously classified students are paired with parents of newly classified students. The result has been a successful sharing of information, contacts and experiences.

Recommendation:

The rapid increase in the cost of special education is an area for concern for district officials. As special education utilizes an ever-increasing portion of district financial resources, the budget for the regular educational programs for the remaining student body is seriously impacted. When additional classroom space becomes available, the district should consider providing as much special education instruction locally as feasible and cost effective.

The district has a very high proportion of multiply handicapped (MH) students (4.5% vs. NJ average of 1.2%) and a generally high tuition cost for the classification. An analysis is warranted to determine the nature of and the reasons for this high rate. It should be noted that a similar high rate of MH classification is occurring within two comparable school districts, specifically Burlington Township and Hackettstown school districts. As part of the evaluation by specialists for the conditions of MH, separate evaluations of each educational disability and the related condition(s) are required. Due to the multi-pronged approach necessary to classify a MH student and the resources involved, it would be most productive to share treatment methodologies and related services with other school districts. Therefore, the district officials should consider sharing strategies and techniques for the evaluation and treatment of classified students with those school districts, which are able to provide special education services on a less costly basis.

SEMI

The district has requested and received information on the Special Education Medicaid Initiative (SEMI). The district has about 300 special education students, including the speech category. According to the N J Department of Education, the “at risk” factors for Bordentown Regional School District are about 11%. This would produce an estimated 33 students who are Medicaid

eligible. Thirty-three pupils would generate about \$14,000 annually in evaluations, services and transportation.

Over \$9.5 million has been distributed by the SEMI program throughout the participating school districts in New Jersey. In order to enroll in the SEMI program, the district must complete the Department of Education Certification and a Medicaid Application.

Potential Enhanced Revenue: \$14,000

ATHLETICS AND EXTRACURRICULAR

Athletics

The district operates a comprehensive athletic program. At the high school level there are 13 varsity sports, including football, soccer, cross-country, field hockey, bowling, track, cheerleading, and golf. At the junior school there are six varsity sports, including soccer, basketball, field hockey, wrestling and cheerleading.

In addition to offering a comprehensive range of sports, the district operates a complete athletic training program for its students. The program is headed by the full-time certified athletic trainer and includes injury prevention, treatment, and rehabilitation.

There is a part-time athletic director, a part-time secretary, a full-time athletic trainer and 32 coaches at the high school and six at the junior school.

The district has developed two comprehensive, up-to-date handbooks, one for coaches and one for student-athletes. These are excellent resources and cover everything from philosophy (e.g., “winning isn’t everything, but wanting to win is”) to forms (e.g., evaluation and permission) and reports (accident, medical history, etc.).

A key indicator of the strength of the Bordentown athletic program is the large number of students who participate. In the 1997/1998 school year, 469 high school and 160 junior school students participated in the program. Although there is, undoubtedly, considerable duplication among students who participate in multiple activities, i.e., fall, winter and spring sports, the district appears to have a very high participation rate. Looking at the number of participants as a percentage of the total number of students at the high school and the junior school, the district’s cumulative annual participation rate is 86% and 57%, respectively. This is about twice the rate we have seen in other districts.

Perhaps part of the reason for this large participation rate is that the district works hard to involve parents in their child’s athletic activities. For example, at the start of each season, the district has a “Get to Know the Coaches” night for each sport. Parents, students and coaches share expectations, responsibilities, and other information to ensure a successful athletic season.

The athletic program also provides information to students and parents to prepare students for college sports. This includes information on required courses at colleges with athletic programs that the student may be interested in attending and related issues regarding a transition to college athletics.

The athletic director provided LGBR with information regarding the financial and programmatic aspects of the athletic program. The review team was impressed with the thorough and up-to-date information provided.

The district spent about \$342,102 for its athletic program in the school year 1997/1998, which resulted in a cost per student of \$198. We compared Bordentown's cost per student to the selected districts and found that the average expenditure per student for the selected districts, including Bordentown, was \$165. The Bordentown cost per student was 20.0% higher than the average for the group.

Athletic Program Expenditures - School Year 1997/1998

	Bordentown	Burlington Township	Audubon City	Roselle Park	Hackettstown	Average
No. of Students	1,731	2,634	1,760	1,881	1,797	1,961
Salaries	\$226,681(1)	\$127,728	\$161,750	\$264,424	\$303,199	\$216,756
Purchased Services	\$70,600	\$15,296	\$28,109	\$4,740	\$63,178	\$36,385
Supplies & Materials	\$44,821	\$39,419	\$54,999	\$28,180	\$39,130	\$41,310
Other			\$5,005	\$6,161	\$5,408	\$5,525
Deficit Transfers		\$36,000		\$25,975		\$30,998
Total Expense	\$342,102	\$218,443	\$249,863	\$329,480	\$410,915	\$310,161
Costs Per Pupil	\$198	\$83	\$142	\$175	\$229	\$165

(1) The CAFR excludes the Bordentown clerical costs. In the process of conducting the review, clerical costs of approximately \$20,566 were identified.

We believe that the main reasons for the higher cost are the number of separate sports and higher student participation rate, which drives coaching salaries, fees for officials, fees for using facilities (such as bowling and golf). In addition, the district always plays the maximum number of games in every sport. According to the director, many districts do not play the maximum number of games.

Recommendation:

While the cost of the athletic program is somewhat higher than comparison districts, the review of the financial and programmatic operations of the district's athletic program lead to the conclusion that the program is well managed, appears to be effective, has parental support and meets the interests and needs of students.

Extra-Curricular Activities

This section analyzes the district's effort regarding board sponsored extra-curricular activities such as clubs, bands, orchestras, entertainment, and publications. Some of the extra-curricular high school activities are the Art, Environment, Language, and Math Clubs, class advisors, and

advisors for Music, Newspaper, Theatre, Yearbook, and Student Council. Some of the junior school activities include advisors for the Student Council, Yearbook, and Drama Club. The elementary school activities include advisors for the Student Newspaper and the Student Council.

The majority of expenditures (62.0%) for extra-curricular activities are stipend payments to the various advisors. The stipend amount, as specified in the negotiated agreement, varies based on the activity itself and the number of years of experience advising in that activity. The stipend amounts range from a high of roughly \$3,966 per year for the high school Yearbook advisor to a low of roughly \$551 per year for the high school Art Club advisor. The other major expenditure in this category is for supplies including items such as Yearbook, Band, and Theatre supplies.

The district has a strong student participation rate in extra-curricular activities. At the high school, a rough estimate of participation is 50%. At MacFarland Junior School nearly one-third of the children participate in the Drama Club and nearly 15% of the students participate in the Student Council. Overall, the participation numbers reviewed by the team are impressive and appear to warrant continuation of most programs, which are varied and offer enrichment to those who participate.

The team compared the expenditures for Bordentown’s extra-curricular activities with the selected districts. The results are presented in the table below.

School Sponsored Co-curricular Activities - Expenditures - School Year 1997/1998

	Bordentown	Burlington Township	Audubon City	Roselle Park	Hacketts town	Average
Number of Students	1,731	2,634	1,760	1,881	1,797	1,961
Salaries	\$80,641	\$72,652	\$93,747	\$80,938	\$53,210	\$76,238
Purchased Services					\$12,389	\$12,389
Supplies & Materials	\$49,465	\$22,204	\$30,201	\$4,088	\$9,045	\$23,001
Other		\$6,200		\$12,741	\$3,963	\$7,635
Total Expenditures	\$130,106	\$101,056	\$123,948	\$97,767	\$78,607	\$106,297
Costs Per Student	\$75	\$38	\$70	\$52	\$44	\$56

The data indicate that Bordentown spent \$130,106 for the 1997/1998 School Year. The cost per pupil is \$75, which compares to the average per pupil costs for the selected districts of \$56. Bordentown’s costs are 33.9% above average. However, a closer look indicates that Bordentown’s salary costs are about average. It is the costs for supplies and materials (\$49,465) that are more than double the \$23,001 average expenditure for the selected districts.

The business administrator indicated that these costs are unusually high because of costs associated with the large number of field trips. The district places high value on students directly experiencing various activities. For example, students take trips to the Philadelphia Museum of Art, the New York Stock Exchange, the Liberty Science Center, the Renaissance Fair, and the Stokes Environmental Center. The Stokes four-day overnight trip cost about \$45,000 for the 7th grade class, with the parents paying about \$75 per student. The net district cost for this one trip was about \$32,000.

Recommendation:

Given the above average cost of day and over-night field trips, district officials should conduct a study of the cost effectiveness of field trips, especially the multi-day trips, such as the Stokes Environmental Center. There could also be an evaluation of the sources of revenue for some of the more expensive trips, with either more fund-raising activities or parental payments.

Revenue Enhancement/Cost Saving: \$10,000

TRANSPORTATION

Bordentown Regional School District transportation unit is housed within the high school complex located at 52 Dunns Mill Road. The site consists of one building which is sectioned into an office, driver waiting room and repair garage. Adjacent to the building is a fenced lot where the district's vehicles are stored.

A transportation coordinator manages the unit and supervises twenty-one drivers, seven transportation aides and one mechanic. The seven transportation aides are employed to assist special education students as required by their IEP. The 1997-98 salaries, based on position value, including benefits, for the thirty transportation employees totaled \$537,727. As part of her regular duties, the coordinator is required to provide the board with a monthly vehicle summary report, which shows the total miles traveled by activity, e.g., education, athletic or repairs. In addition, the report also provides data on fuel and oil consumption, as well as a description of all maintenance performed including the associated cost.

The district transportation unit operates sixteen S1 type vehicles, ten S2 type vehicles and one staff vehicle for a total of 27 vehicles. S1 vehicles are rated for more than sixteen passengers and S2 are sixteen or less. On average, twenty-three vehicles are used to carry out the daily transportation requirements of the district. The four remaining vehicles are either used as backups or for other activities that may have scheduling conflicts with daily routes. During the 1997-98 school year the age of the vehicles ranged from 2 to 12 years old, with an average age of 6.6 years, and vehicle mileage ran from a low of 2,000 to a high of 170,000. For the 1997-98 school year, the district's vehicles accumulated 295,031 miles on daily routes, 8,283 miles on educational trips, 18,459 miles on athletics functions, 8,305 miles on miscellaneous activities and 5,028 miles on repair related operations, for a total of 335,106 miles. Despite the age and mileage, the appearance of the district's vehicles reflects the unit's efforts to keep a well-maintained fleet.

Forty one thousand two hundred sixty gallons of fuel were consumed, purchased at an average rate of \$.713 per gallon, for a total cost of \$29,418. The district uses the State contract for all its motor fuel purchases. Supplies and material for the unit totaled \$42,588, while outside vendor labor costs totaled \$13,484. Contracted service costs for special education were \$43,484 and miscellaneous purchased transportation was \$21,884. Aide-in-lieu payments totaled \$68,021.

The total cost for transportation was \$756,606. Based on the number of students transported, i.e. 1536, the overall average cost per pupil was \$492.

On a daily basis, the transportation unit provides transportation for 1,454 students of which the majority are picked up at collective stops. Bus tickets are required to ride district buses and are provided to students prior to the start of school each year. In addition to showing proof of eligibility, a bus ticket contains information e.g., bus number, bus stop location and schedule. The unit operated 35 in-district routes, one non-special education out-of-district route and nine special education routes for a total of 45 routes.

The 23 vehicles operated by the district only have a seating capacity of 730, therefore, multiple runs are necessary. Two buses run four routes each, eight buses run three routes each, three buses run two routes each and seven buses run one route. It should be noted that the one route buses are all special education runs. The overall efficiency of the transportation unit is very good, especially the in-district routes. The unit received favorable mention by the third party administrators for the insurance fund for the lack of automobile claims, considering the large amount of time the buses are on the road.

The transported students are classified into three categories/sub-groups as follows:

Eligible regular and in-district special education w/o special needs	907
Special needs special education students	97
Courtesy based students	516

Breaking down in-district vs. special education costs, in-district transportation costs are approximately \$204 per student, well below the American School and University's Region Two (NY/NJ) average of \$472. Costs for special education transportation on the other hand are much higher.

Special Education

Typically, special education routes have much higher costs due to guidelines, requirements and distances traveled. Special needs students require some form of assistance, such as wheelchairs and/or transportation aides. District route data indicates that the combined cost of transporting special education students averages approximately \$3,482 per student. In January, 1999, the coordinator will be combining two routes due to declining participation on both routes. The driver of the route which will be eliminated will fill a vacant position recently created by a retiring driver. This should save the district approximately \$38,000. Looking further, the district could realize additional savings by contracting out some of its special education routes. The calculations below were formulated based on figures provided by contract vendors and on district runs only, excluding any joint agreement data with surrounding districts for special education routes.

Route #	In-house Costs	Contracted Cost	Savings
61	\$48,512	\$35,091	\$13,421
62	\$36,686	\$35,442	\$1,244

63	\$45,664	\$35,541	\$10,123
64	\$34,491	\$33,102	\$1,389
69	\$47,080	\$43,825	\$3,255
Total			\$29,432

By contracting out these routes the district could save approximately \$29,400 each year.

Recommendation:

The district consider contracting out route numbers 61, 62, 63, 64 and 69 for an annual saving of approximately \$29,400.

Shared Services/Special Education Transportation

In an effort to maximize its own route efficiency, the district sought out shared service agreements with some neighboring districts for their special education runs. Agreements were made with North Hanover, New Hanover, Burlington, Florence, Hamilton and Mansfield to transport their students to schools currently used by the district. As a result of these agreements, the district generated income of approximately \$40,233 during the 1997-98 school year.

Aide-in-Lieu

For the school year 1997-98 the district’s aide-in-lieu payments were \$68,021. Under Title 18A:39-1, the district may choose to make payments to parents/guardians in lieu of providing transportation for students attending non-public schools. The maximum amount, which is set by N.J.S.A. 18A:39-1a, was \$675 per student in 1997-98.

Vehicle Replacement

Under Title 39:3B-5.1, “school buses manufactured on or after April 1, 1977, other than those of the transit type whose gross vehicle weight (G.V.W.) exceeds 25,000 pounds, shall not be used for pupil transportation purposes beyond the end of the twelfth year from the date of manufacture.” Many districts purchase the 12-year bus because it has been the standard vehicle for years and is less expensive than a transit type (20-year) bus. As an alternative, districts should consider the transit type 20-year, which is actually less expensive in the long run.

A 12-year bus, for the 1999 school year, will cost approximately \$54,000 while a comparably equipped transit type 20-year bus is approximately \$70,000. Looking at a 5-year lease /purchase program, with an interest rate of 5%, vehicle cost for a 12-year bus, depreciated over its life, will cost \$5,095 each year to own as opposed to a 20-year bus at \$3,963 per year. At the end of the 12 years, the year 2011, the 12-year bus must be sold and a new unit purchased. At an increase of only 3% each year, the same bus will now cost \$76,991 or \$7,265 a year. Therefore, the 12-year bus over a 20-year period will cost approximately \$119,260 or \$40,000 more than a 20-year bus. This equates to yearly savings of \$2,000 per bus. Maintenance costs for the 20-year bus from year 13 through 20 have not been higher than those experienced at anytime with the 12-year bus. This is primarily do to its heavy-duty design and construction.

Over the next three years the district will be required to replace six buses. By buying the 20-year transit buses, the district can save approximately \$4,000 the first year, \$8,000 the second year and \$12,000 the third. The third year saving can be expected for the next 17 years. Trade-in value for these buses is approximately \$1,000, which would not make any appreciable impact on the numbers.

Recommendation:

The district should consider the purchase of 20-year transit type buses for its transportation needs.

Annual Savings after Year Two: \$12,000

Vehicle Maintenance

The district employs a full time mechanic to maintain its fleet. In addition to the transportation unit vehicles, the mechanic is also responsible for maintaining the maintenance department's vehicles. As previously mentioned, the transportation unit fleet consists of sixteen S1 type vehicles, ten S2 type vehicles and one staff vehicle for a total of 27 vehicles. Based on the types of vehicles in the fleet, this equates to a vehicle equivalent of 90 vehicles. The maintenance department has five vehicles with a vehicle equivalent of 7.5, for a total of 97.5 vehicle equivalents. The average car requires approximately 17 hours of maintenance each year, therefore, one vehicle equivalent equals seventeen hours of direct labor each year. Typically mechanics have approximately 1710 hours available to perform mechanical repairs. By dividing the available hours by the average hours needed to maintain one vehicle, a mechanic can maintain approximately 100 vehicle equivalents. Based on the district's vehicle equivalents, the mechanic has enough work to keep him busy during his workday.

A review of maintenance records showed the transportation unit takes a proactive rather than a reactive approach to maintenance. All vehicles receive scheduled checks and periodic preventive maintenance service. Records, although manually kept, are complete and well maintained.

The district, for the most part, makes use of appropriate state contracts, with the exception of two areas, oil and antifreeze. Currently the district purchases these two items from a non-contract vendor. Oil is purchased at a cost of \$222 and antifreeze is \$258 for each 55-gallon drum. State contracts for these items are \$127 and \$107, respectively. By purchasing these items through the state contract, the district could save \$95 on each drum of oil and \$151 on each drum of antifreeze. Based on records of quantities purchased during a school year, the district could save \$380 per year on oil and \$151 per year on antifreeze for a total yearly saving of \$531.

Recommendation:

The district should consider purchasing its oil and antifreeze from the state contract.

Annual savings: \$531

The building, which is used for maintenance of the district's vehicles, is substandard. The garage is a combination of two buildings, the original building and an addition. An old garage door serves as the connection point between the two buildings and is in the middle of the work bay. When a bus is pulled into the garage, the middle of the bus sits in the old doorway. This blocks easy access from one building to the other. If the mechanic needs to move from one end of the bus to the other, he must exit the building by walking through another door. This situation poses a potential safety hazard. In addition, lighting within the building is insufficient. Recommended

lighting for a garage is 50 to 100 foot-candles. The best reading in the garage registered 15 foot-candles. The facility is not equipped with a proper exhaust system. The current system consists of a hose through an opening in a door. When a wall-mounted exhaust fan is turned on, it sucks the exhaust back into the building. The facility also lacks an appropriate first aid kit and eye wash station. Recommendations for this building are discussed in the facilities section.

The mechanic currently uses a floor jack to lift vehicles. The jack is old and shows signs of wear and should be replaced. An air assisted ten-ton hydraulic floor jack would be a more efficient and safer means of lifting large vehicles, such as school buses. Also, two additional five-ton jack stands should be added to the equipment inventory. The cost for the additional equipment is approximately \$2,600.

Recommendation:

The district should consider purchasing one ten-ton floor jack and two 5-ton jack stands.

Value Added Expense: \$2,600

Fuel

In September of 1995, the district replaced their underground fuel storage tank with an above ground 10,000-gallon tank. The tank is a split unit, holding 5,000 gallons of diesel and 5,000 gallons of unleaded regular fuel. The tank is equipped with a leak detection system and is compliant with federal regulations. Fuel is monitored by a key-type fuel management system. It is a two key system. Each key contains an integrated circuit which identifies the user, the vehicle and other information which controls pump access, types of fuel and maximum amounts. The system monitors usage, prints transactions, and sorts or sub-sorts by transaction heading the gallon totals. It also tracks inventory and pump totals, while maintaining book inventories with reorder points. The system, including engineering fees, was installed at a cost of \$89,000.

Total Transportation Annual Savings: \$41,931

One-time Added Value Expense: \$2,600

Net Transportation Annual Savings: \$39,331

III. COLLECTIVE NEGOTIATIONS

The three following sections of the review report which cover the respective negotiated agreements are presented separately, as school officials cannot unilaterally alter the terms of the negotiated agreements. *Any of the recommendations in the following sections, which involve changes to the negotiated agreement, necessarily would require negotiations and agreement by the respective parties in order to be implemented.* These sections will deal with those aspects of the contract, which have more direct financial or productivity implications.

Education Association Agreement

The Agreement with the Bordentown Education Association, effective July 1, 1997 through June 30, 2000, covers teachers and other instructional certificated employees, secretaries, instructional aides and custodial and maintenance personnel. Supervisory, hourly rate employees and confidential central office staff are specifically excluded. The contract contains numerous articles, such as recognition, negotiations procedures, grievance procedures, member rights, association rights and privileges, board rights and responsibilities, board staff relations committee, extended leaves of absence, etc., which are more procedural than economic. Pertinent contractual provisions are summarized in brief outline form with attention to 1997-98 salary guides, which is the year selected for financial comparisons with other benchmarks.

Teaching Hours and Work Load

The in-school work year of certificated staff employed on a ten-month basis is 184 days, four of which may be utilized for in-service activities. The normal in-school workday consists of not more than seven hours, which includes a duty-free lunch period as defined. On Fridays and on days preceding holidays or vacations, the teachers' day ends at the close of the pupils' day.

Under the eight-period day, high school teachers are assigned a six-period teaching load. Under the block (longer but fewer periods) scheduling organization, high school teachers are assigned a three-period teaching load. In addition, high school teachers are assigned one non-teaching supervisory period per day. There is an extra preparation time per day during the sports season for selected head varsity coaches teaching in the high school.

Teachers' Salaries

Schedule A - Teachers' Salaries- 1997-98						
Step	Bachelors	BA + 6	BA + 12	BA + 18	BA + 24	BA + 30
1	\$32,771	\$33,101	\$33,211	\$33,321	\$33,431	\$33,541
2	\$33,271	\$33,601	\$33,711	\$33,821	\$33,931	\$34,041
3	\$34,523	\$34,853	\$34,963	\$35,073	\$35,183	\$35,293
4	\$35,648	\$35,978	\$36,088	\$36,198	\$36,308	\$36,418
5	\$36,654	\$36,984	\$37,094	\$37,204	\$37,314	\$37,424
6	\$37,738	\$38,068	\$38,178	\$38,288	\$38,398	\$38,508
7	\$39,024	\$39,354	\$39,464	\$39,574	\$39,684	\$39,794
8	\$40,172	\$40,502	\$40,612	\$40,722	\$40,832	\$40,942
9	\$41,247	\$41,577	\$41,687	\$41,797	\$41,907	\$42,017
10	\$42,392	\$42,722	\$42,832	\$42,942	\$43,052	\$43,162
11	\$43,535	\$43,865	\$43,975	\$44,085	\$44,195	\$44,305
12	\$44,957	\$45,287	\$45,397	\$45,507	\$45,617	\$45,727
13	\$46,648	\$46,978	\$47,088	\$47,198	\$47,308	\$47,418
14	\$47,878	\$48,208	\$48,318	\$48,428	\$48,538	\$48,648
15	\$49,108	\$49,438	\$49,548	\$49,658	\$49,768	\$49,878
16	\$50,448	\$50,778	\$50,888	\$50,998	\$51,108	\$51,218
17	\$51,901	\$52,231	\$52,341	\$52,451	\$52,561	\$52,671
18	\$53,805	\$54,135	\$54,245	\$54,355	\$54,465	\$54,575
19	\$55,530	\$55,860	\$55,970	\$56,080	\$56,190	\$56,300
25+	+\$800	+\$800	+\$800	+\$800	+\$800	+\$800

The athletic trainer is paid 1.15 times the appropriate step on the B. A. column, plus the appropriate graduate-credit adjustment.

Continued - Schedule A - Teachers' Salaries- 1997-98						
Step	Masters	MA + 6	MA + 12	MA + 18	MA + 24	MA + 30
1	\$34,423	\$34,643	\$34,753	\$34,863	\$34,973	\$35,083
2	\$34,923	\$35,143	\$35,253	\$35,363	\$35,473	\$35,583
3	\$36,175	\$36,395	\$36,505	\$36,615	\$36,725	\$36,835
4	\$37,300	\$37,520	\$37,630	\$37,740	\$37,850	\$37,960
5	\$38,306	\$38,526	\$38,636	\$38,746	\$38,856	\$38,966
6	\$39,390	\$39,610	\$39,720	\$39,830	\$39,940	\$40,050
7	\$40,676	\$40,896	\$41,006	\$41,116	\$41,226	\$41,336
8	\$41,824	\$42,044	\$42,154	\$42,264	\$42,374	\$42,484
9	\$42,899	\$43,119	\$43,229	\$43,339	\$43,449	\$43,559
10	\$44,044	\$44,264	\$44,374	\$44,484	\$44,594	\$44,704
11	\$45,187	\$45,407	\$45,517	\$45,627	\$45,737	\$45,847
12	\$46,609	\$46,829	\$46,939	\$47,049	\$47,159	\$47,269
13	\$48,300	\$48,520	\$48,630	\$48,740	\$48,850	\$48,960
14	\$49,530	\$49,750	\$49,860	\$49,970	\$50,080	\$50,190
15	\$50,760	\$50,980	\$51,090	\$51,200	\$51,310	\$51,420
16	\$52,100	\$52,320	\$52,430	\$52,540	\$52,650	\$52,760
17	\$53,553	\$53,773	\$53,883	\$53,993	\$54,103	\$54,213
18	\$55,457	\$55,677	\$55,787	\$55,897	\$56,007	\$56,117
19	\$57,182	\$57,402	\$57,512	\$57,622	\$57,732	\$57,842
25+	+\$800	+\$800	+\$800	+\$800	+\$800	+\$800

Recommendation:

The review team has examined a number of benchmarks during this report and concludes that the Bordentown teachers' salary schedule is competitive for employment purposes and reasonable in cost.

Secretaries/Aides - Work Year and Work Hours

The work year for secretarial positions varies from ten to twelve months, as defined in the agreement. The work hours for secretaries are seven and one-half hours per day, including one-half hour duty-free lunch. During July and August, secretaries work six and three-quarter hours per day, including a half-hour lunch. Secretaries are entitled to one fifteen-minute break per day, to be taken in the morning.

The work year for aides consists of 182 days and the work hours are six and one-half hours per day, including a one-half hour duty free lunch. Aides are entitled to one fifteen-minute break per day, to be scheduled by the teacher-in-charge.

Secretaries/Aides – Salaries & Vacations

1997-98 Salary Schedules for Secretaries and Aides			
Step	Secretary II - Schedule D	Secretary I - Schedule C	Aides - Schedule E
1	\$20,586	\$25,827	\$12,059
2	\$21,120	\$26,362	\$12,276
3	\$21,513	\$26,651	\$12,491
4	\$21,804	\$26,939	\$12,756
5	\$22,096	\$27,227	\$13,089
6	\$22,386	\$27,516	\$13,420
7	\$22,678	\$27,804	\$13,754
8	\$23,140	\$28,093	\$14,086
9	\$24,303	\$28,947	\$14,418
10	\$25,456	\$30,206	\$14,751
11	\$26,627	\$31,465	\$15,399
12	\$27,825	\$32,725	\$16,062
15+	+\$350	+\$350	+\$350
20+	+\$350	+\$350	+\$350

Longevity payments of \$350 are made to secretaries and aides after 15 and 20 years of service in the district.

Twelve-month secretaries are entitled to the following paid vacation days to be scheduled and approved by the supervisor and the superintendent:

Years of Service	Vacation Days
1 - 5	11
6 - 8	13
9 - 15	16
16 - 19	18
20 years and over	21

Recommendation:

The primary purpose of vacation time is to provide for rest and relaxation away from one’s job responsibilities in order to return to work with increased enthusiasm and effectiveness. On June 30, 1998, the district had an outstanding commitment of \$64,544 for payment for unused vacation time for all 12-month secretaries. The district should consider negotiating a limitation on payment for unused accumulated vacation days to equal the maximum number of days allowed annually, i.e. 21 days, which would reduce future commitments by \$22,449.

Onetime Savings: \$22,449

Custodial/Maintenance - Daily Work Schedule

- | | |
|--|--|
| 1. Day Custodians | eight hours, <i>plus</i> one-half hour lunch |
| 2. Night Custodians | eight hours, <i>including</i> one-half hour dinner |
| 3. Maintenance Custodians | eight hours, <i>plus</i> one-half hour lunch |
| 4. Summer Schedule (July 1- August 31) | eight hours, <i>including</i> lunch |
| 5. Scheduled School Holidays | eight hours, <i>including</i> lunch |

Custodial/Maintenance – Salaries & Vacations

Contractual salary for custodians is for forty hours of work per week. Overtime is paid at time and one-half, prorated on the salary of the individual. Double time is paid for snow removal on Sunday and for work during a “state of emergency”. Double time is paid for custodial overtime for non-school-related groups billed by the district. Custodians are permitted 13 paid holidays per year.

Step	Salary Guides 1997-98		Maintenance
	Custodian	Head Custodian	
1	\$21,323		
2	\$21,718	\$26,621	\$27,723
3	\$22,033	\$27,117	\$28,202
4	\$22,372	\$27,556	\$28,643
5	\$22,741	\$27,995	\$29,081
6	\$23,124	\$28,468	\$29,554
7	\$23,633	\$28,988	\$30,074
8	\$24,149	\$29,457	\$30,544
9	\$24,678	\$29,878	\$30,965
10	\$25,264	\$30,334	\$31,420
11	\$25,910	\$30,824	\$31,911
12	\$26,268	\$31,317	\$32,404
13	\$26,648	\$31,806	\$32,891
14	\$27,016	\$32,299	\$33,389
15	\$27,399	\$32,789	\$33,874
16	\$27,754	\$33,281	\$34,365
17	\$28,120	\$33,771	\$34,858
18	\$28,488	\$34,263	\$35,348
19	\$28,861	\$34,754	\$35,841

Special stipends per year are as follows: night foreman - \$1,403; groundskeeper - \$1,068; black seal license - \$668; and \$300 career incentive at 10, 14, 18 and 25 years in district for all categories.

A shift adjustment of \$.29 per hour is paid to each individual working the late night shift, which is approximately from 11:00 p m until 7:00 a m.

Custodial and maintenance personnel receive paid vacation days as approved by the supervisor and business administrator in accordance with the following schedule:

Years of Service	Paid Vacation Days
1 - 5	11
6 - 8	13
9 - 15	16
16 - 19	18
20 years & over	21

Vacation days are awarded as of July 1 of the year following initial contract. An individual may accrue up to twice the number of his/her annual vacation days. Upon approval, no more than two custodians per building per shift or two maintenance personnel per district are allowed to take vacation of over two days at the same time.

Recommendation:

On June 30, 1998, the district had an outstanding commitment for \$37,906 for payment for unused vacation time for custodial and maintenance staff. The district should consider negotiating a limitation on payment for unused accumulated vacation days to equal the maximum number of days allowed annually, i.e. 21 days, which would reduce future commitments by \$12,688.

Onetime Savings: \$12,688

Custodial/Maintenance - Other Conditions

The district provides \$185 for clothing to be purchased through the district and requires the custodians to wear the uniforms and safety shoes during the school year. The employee is issued \$90 per year for protective work shoes, which must meet safety standards.

One custodian at each school must have a Black Seal license. Every custodian must obtain a Black Seal license by the end of the first year of employment; however, currently contracted employees are “grandfathered”. The district pays the tuition and travel expense for any custodian to be licensed as a boiler operator through the Burlington County Vocational School.

The district issues the tools required for the work to each maintenance person. The district will replace any broken tools upon receipt of the broken tool; however, the maintenance person is responsible for any lost or stolen equipment.

Part-time employees are entitled to personal leave-time benefits prorated in accordance with their work schedule, but they must work a minimum of twenty hours per week to get insurance benefits.

Teachers’ Extra Payments

Certificated unit members are paid for certain extra assignments in accordance with the following amounts:

Assignment	1997-98
Summer school	\$28.32 per hour
Homebound instruction or summer research	\$28.32 per hour
Computer work/detention monitoring	\$22.66 per hour
Chaperones	\$37.67 per event
Class coverage/no substitute	\$28.32 per hour

Extracurricular Stipends

The agreement provides for payments in three steps for about 30 coaching titles, which range from \$960 to \$5,438. There is also provision for payments, in three steps, for more than 40 extracurricular advisors, which range from \$551 to \$3,286.

Recommendations:

Athletic and extracurricular activities are contained in those respective sections of this report.

Sick Leave

All certificated employees are entitled to twelve cumulative sick leave days as of the first official day of said school year. Unused sick leave accumulates from year to year with no maximum limit. All non-certified persons employed on a twelve-month basis are entitled to thirteen days paid sick leave per year, while those working less than twelve months receive twelve days sick leave per year. Part-time employees receive prorated sick leave benefits.

During 1997-98, district employees used an average of 5.2 sick days, in contrast with the contractual 12 days allowed for ten-month employees. District employees have accumulated an average of 83.3 sick days per person, with the accumulations ranging from 0 to 417.

Reimbursement is \$25 per day for unused sick leave for certified staff, \$20 per day for secretaries and aides, and \$30 per day for custodians and maintenance personnel. For certified staff, secretaries, and aides, only days accumulated over 25 are eligible for payment. Custodians and maintenance personnel must have a bank of a minimum of 25 days accrued to be eligible for reimbursement, but upon reaching eligibility, all days qualify for payment.

The district is commended for limiting the per diem payment for sick leave to \$20 to \$30 per day. The district has provided, in a cost-effective manner, some financial incentive for employees to conserve sick days.

Temporary Leaves of Absence

Unit members are entitled to the following temporary non-cumulative leaves of absence with full pay each year:

1. Death in the immediate family - up to five days per occurrence.
2. Illness in nuclear family - up to three days maximum per year.
3. Personal leave - Up to three days maximum per year, except up to four days for 12 month secretaries.
4. Other - up to two additional days may be allowed for certificated staff, secretaries, and aides, less substitute pay, after the above days have been taken. This provision does not apply to custodians and maintenance personnel.

Leaves are not granted immediately preceding or following scheduled holidays. Unused personal days are converted for credit as sick leave.

Recommendation:

During 1997-98 district employees utilized an average of 1.6 personal days and 1.3 days for family illness. The district provisions for *temporary leaves of absence* are quite generous, with the potential for six days per year for these two categories. Other benchmarks indicate that three personal days per year should be adequate for items 2 and 3 above. District officials should consider renegotiating the amount of temporary leave days accordingly.

Professional Development

The district pays the full cost of tuition and other reasonable expenses incurred in connection with any courses, workshops, seminars, conferences, in-service training sessions, or other such sessions which a certificated unit member is required and/or requested by the administration to take.

A total of 142 district employees used an average of 3.2 professional days during 1997-98. The district is making a significant monetary investment in the professional development of staff with a total of 448 workdays allotted for that purpose.

Sabbatical Leave

After seven or more years of service, a sabbatical leave may be granted to a teacher by the district for study, travel, or for other reasons of value to the school system, subject to described conditions. Leaves may be granted for a maximum of four teachers per year with payment at 50% of the active duty rate.

There have not been any requests for sabbatical leave during the past three years.

Insurance Protection

The district provides health insurance coverage to eligible unit members and their dependents, in accordance with the State Health Benefits Plan (SHBP) and at no cost to the employee. Employees in HMO plans pay any amount of the applicable premium above that charged by SHBP.

The district assumes a maximum cost of \$525 per employee per year of a family prescription drug plan and provides employees the Delta Dental Plan of New Jersey, Inc., or an equal coverage plan. Dependent dental coverage may be received at the employee's expense.

Under the agreement, the district may require new employees to work 26 hours per week to receive health insurance coverage, while current employees must work 20 hours per week to receive health benefits.

Recommendations regarding insurance are contained in the section on insurance.

Administrative Agreement

The Negotiated Agreement with the Bordentown Regional Principals and Supervisors Association, effective 1996-1999, covers principals, assistant principals, supervisors and the director of special services. In addition to the provisions hereafter described, the agreement includes recognition, successor agreement, grievance, and evaluation articles. *Any recommendations in this report which alter the terms of the negotiated agreement would require negotiations and agreement between the parties before implementation.*

Work Year

The principals, assistant principals, and director of special services are 12-month employees who work, as a minimum, the administrative calendar, including two workdays during the winter recess and two workdays during the spring recess.

Supervisors work 20 days between July 1 and August 31. Between September 1 and June 30, the supervisors work the administrative calendar, except the workdays during the winter and spring recesses.

Salaries

Administrative salary ranges are listed in the following table:

Positions	1996-98	1998-99
Principals & Dir. of Spec. Services	\$60,000 - \$87,400	\$63,000 - \$90,000
Assistant Principals	\$50,000 - \$78,000	\$53,000 - \$81,000
Supervisors	\$48,000 - \$75,700	\$51,000 - \$78,700
<i>Differentials:</i>		
HS Principal & HS Assistant Prin.	\$2,500	(Prorated when shared)
Coordinating Supervisor	\$2,000	

Salary increases were 3.8% in 1996-97, 3.75% in 1997-98 and 3.5% in 1998-99, exclusive of the longevity increment and the \$2,000 to \$2,500 differentials indicated above.

Administrative and supervisory salary levels are quite reasonable in comparison with state averages and the salaries paid in comparable school districts.

Distribution

Of the negotiated amount, 60% is for incremental purposes and 40% for merit based upon job performance and responsibilities, with the superintendent's recommendations to the board. The district has agreed to spend the total pool of merit money, but if an increment is withheld, the amount of the increment will not be spent.

Recommendation:

District officials are commended for inclusion of 40% of the annual salary increase to be based upon the merit of job performance and responsibilities.

Longevity

\$1,000 is paid after fifteen years in the district.

Longevity payments totaling \$6,000 were made to six administrators and supervisors in 1997-98.

Temporary Assignments

When a unit member takes a leave of absence of five or more consecutive days, exclusive of vacation days, and another member is asked to assume that position in addition to his/her primary responsibilities, after five consecutive days remuneration of \$25 per day will be paid.

Personal Illness Days

Principals and supervisors are provided thirteen days per year at full pay for personal illness. These days may be accumulated for use in subsequent years.

Pay for Unused Sick Leave

Association members who provide notice of retirement by January 1 are reimbursed for unused sick days according to the following formula:

0 -15 days = \$0	Per Diem rate is 1/240 th for twelve-month contracts
16-50 days = \$35/day	Per Diem rate is 1/200 th for ten-month contracts.
51-100 days = \$70/day	
101-150 days = per diem rate/day	
Over 150 days = per diem rate/day	

The maximum reimbursement is \$5,000 for members who leave the district for other than retirement purposes, except that members employed as of 7/01/92 are “grandfathered”.

Recommendation:

During the past two school years the district has expended \$120,348 in reimbursement of unused sick leave days and on June 30, 1998, had an outstanding future commitment of \$343,990 for 16 administrators and supervisors. Obviously, this contractual provision is expensive and most school districts do not pay the full per diem rate per unused day for sick leave reimbursement. It is recommended that the district negotiate a fixed dollar amount per day and a maximum per person of \$15,000 for sick leave payment upon retirement. Had this maximum provision been in effect on June 30, 1998, this would save the district \$204,659 in future commitments for such payments.

Potential Onetime Savings: \$204,659

Other Leaves of Absence

Unit members are entitled to the following temporary non-cumulative leaves of absence with full pay each year:

1. Illness in the nuclear family - up to three days per year.
2. Death in the immediate family - up to five days per event.
3. Jury duty or court subpoena - full pay for each day on jury duty and in court in relation to their work responsibilities.
4. Personal leave - four personal days per year. Unused personal days may be converted to available sick days.

Days are normally not granted immediately preceding or following scheduled holidays or on opening, closing, or conference days; however, some exceptions are allowed.

Recommendation:

The district provisions for *other leaves of absence* are quite generous as other benchmarks indicate that three personal days per year should be adequate for items 1 and 4 above. Conversion of unused personal days into sick leave days is also an expensive practice, especially when there is a commitment for future payment at the full per diem rate for sick leave days accumulated in excess of 100 days.

Vacations

The district provides seventeen working days vacation per year for principals, assistant principals and the director of special services. After ten years employment in the district, an additional five days are added. Vacation is taken the year following the accrual, except the superintendent may give an exception in the first year of employment.

Members may accrue a total amount of vacation equivalent to twice the annual amount. Upon leaving the district, they are entitled to payment for unused vacation at the per diem rate of 1/240th times the current base pay.

Recommendation:

During the past two years the district paid a total of \$42,929 for unused vacation days for administrators. On June 30, 1998, the district had an outstanding commitment totaling \$104,749 for payments for unused vacation days upon leaving the district of the 12 administrators whom are employed for 12 months annually. District commitments for individuals were as high as 34 to 44 days, or \$13,000 to \$15,000 for several persons. The district should consider negotiating a limitation on payment for unused vacation days equal to the maximum annual amount of vacation accumulated, or a total of 22 days. Had this provision been in effect on June 30, 1998, it would save the district \$29,294 in future obligations.

Onetime Savings: \$29,294

Sabbatical Leaves

After seven or more years of service, a sabbatical leave may be granted to a unit member by the district for study or other good reason. Any sabbatical is subject to described conditions, including a return to work for a minimum of two years immediately after the end of the leave, a written report describing and evaluating the leave activities and payment at 50% of the active duty rate.

The district has not received any requests for sabbatical leave during the past three years.

Insurance Protection

The district provides health insurance coverage to eligible unit members and their dependents, in accordance with the State Health Benefits Plan (SHBP) and at no cost to the employee. Employees in HMO plans pay any amount of the applicable premium, which is above that charged by SHBP.

The district assumes a maximum cost of \$525 per employee per year of a family prescription drug plan and provides employees the Delta Dental Plan of New Jersey, Inc., or an equal coverage plan. Dependent dental coverage may be received at the employee's expense.

Recommendations on health and dental insurance are contained in the section on insurance.

Professional Development

The district assumes the full cost and expenses for any course, workshop or conference that the superintendent approves in writing for any member to take or participate.

The district assumes the full cost of membership dues, other than union dues, in one state and one national professional education association. All publications received as a result of the memberships agreed upon become the property of the district.

The district reimburses tuition costs for all graduate-level courses required to be taken at the direction of the board or superintendent. The district reimburses 50% of the tuition costs for all graduate-level courses which are 1) approved in advance and 2) completed with a grade of "B" or better. Such courses must be appropriate to and in accordance with the duties and responsibilities of the member and be taken at an NCATE approved institution.

Recommendation:

The review team concludes that the professional development provisions for administrators and supervisors are reasonable in cost.

Health Benefits

The district participates in the New Jersey State Health Benefits Program and provides dental coverage through a private carrier. Currently, the district enrolls 237 employees in various health insurance plans, which the state program offers. The following table provides the enrollment figures for the 1998-99 school year;

Program	Number of Employees	Percentage
Traditional - Blue Cross	66	28%
New Jersey Plus	52	22%
Aetna/UIS Healthcare	89	38%
Amerihealth	10	4%
HMO Blue	12	5%
Prucare	5	2%
Hip	1	Less than 1%

Oxford	1	Less than 1%
CIGNA-CoMed	1	Less than 1%
Total	237	

Annual health care coverage costs the district \$1,095,744. In addition to health-care coverage, the district provides dental coverage at a cost of \$101,893, and prescription coverage at a annual cost of \$ 143,137.

The team found a large range in the cost among programs. For example, family coverage in New Jersey Plus costs the district \$395.54 per month for each employee, the traditional plan charges \$531.18, a difference of \$134.64 per month per employee. In addition, there are even disparities between managed care programs, as HMO Blue and Cigna CoMed family coverage costs \$509 and \$426 dollars per month, respectively. Estimation of health care cost is usually manageable, since enrollment occurs in October and budget finalization is not until early spring. Still, determination of the expenditure is clearly a yearly estimation, since the district cannot anticipate changes.

Recommendations:

The district officials should consider negotiating to charge employees 20% of the cost on all health care coverage levels beyond the single rate. This would net an annual saving of \$188,883.

Annual Cost Savings: \$188,883

IV. SHARED SERVICES

Tremendous potential for cost savings and operational efficiencies exists through the implementation of shared, cooperative services between local government entities. In every review, Local Government Budget Review strives to identify and quantify the existing and potential efficiencies available through the collaborative efforts of local officials in service delivery in an effort to highlight shared services already in place and opportunities for their implementation.

Bordentown Community Education/Recreation (CE/R)

Through an agreement, dated March, 1995, the Bordentown Township Committee (Township), the Bordentown City Commission (City) and the Bordentown Regional Board of Education (Board) have established a cooperative relationship known as the CE/R Council. The CE/R Council, which is composed of the membership of the respective municipal and school district governing bodies, meets regularly on a quarterly basis to establish policy and the superintendent of schools, the city mayor and the township administrator are responsible for the administration of the policies. A policy is considered as established with an affirmative vote of five board members, two city commissioners and three township committee members.

CE/R employs a director, administrative assistant and other staff to implement the educational and recreational programs of the agency. Programs include summer recreational activities for the township and city residents, evening adult education courses and the GED program, before and after school childcare, and a seventh and eighth grade summer school. Summer recreational programs and summer school are free to resident children and youth; however, the adult education and childcare programs are fee based. Residents are given priority consideration for registration in summer programs and non-residents are charged fees for such programs. Senior citizens (60+) are admitted to designated programs at one-half the designated fee, under specified conditions.

The CE/R Council sponsors childcare programs at two elementary school sites, the Peter Muschal School (PMS) and the Clara Barton School (CBS).

A CE/R Advisory Committee was established to assist the Council and provide for additional public participation in the development of education and recreation programs. The Advisory Committee is appointed by the CE/R Council and is composed of five Township and four City residents. The Advisory Committee makes recommendations to the CE/R Council through:

- On-going assessments of the needs and interests of the community;
- Relating to and working with the various groups and organizations that operate in its communities;
- Providing input for an interesting, diversified and meaningful program of activities and events for residents;

- Promoting maximum use of existing facilities;
- Developing a system for continual dialogue with the community;
- Utilizing the resources of the school, social services, municipal government agencies and all interested parties and making specific referrals as deemed desirable and necessary.

A Bordentown Sports Association was also established. Its membership includes the sports group presidents/chairpersons and one alternative representative from each group. The CE/R director serves a liaison function between the Council and the Advisory Committee and the Sports Association.

All facilities under the control of the board, city and township are available for use in implementing the CE/R programs, subject to these conditions:

1. The district reserves the right to restrict or limit the use of school facilities when activities may interfere with the on-going K - 12 educational program.
2. The City Commission and Township Committee may limit or restrict the use of municipal facilities in the event such usage may interfere with necessary official functions.
3. The director coordinates the use of all Bordentown Regional District, City and Township controlled facilities for education and/or recreation purposes.

The CE/R director is responsible for scheduling activities in public schools and municipal facilities. The director is also in charge of scheduling and/or renting the use of school facilities by public community and private business organizations. The director bills the organizations for rents due and checks on certificates of insurance for school building use. There are no fees for school building usage for CE/R courses and activities. The CE/R director either schedules or coordinates the use of the following facilities:

- *Township* - Northern Community Park, Joseph Lawrence Park, Wells Field and Senior Community Center.
- *City* - Gilder Field/Park, Carslake Park/Community Center and Burlington Street Field.
- *Regional district* - Four public school buildings and fields.

The various community athletic/youth groups include the Area Basketball League, Community Soccer, Men's Soccer, Little League, Women's Softball, Boy Scouts/Girl Scouts, and Cub Scouts/Brownies.

The FY98 budget for the Bordentown CE/R programs was funded as follows:

Total FY98 Budget	Tuition	Surplus Allocation	Regional District	Township	City
\$412,878	\$220,488	\$115,000	\$40,519	\$22,860	\$14,011
100%	53.40%	27.85%	9.81%	5.54%	3.40%

In FY99, the Bordentown CE/R programs were budgeted as follows:

Total FY99 Budget	Tuition	Surplus Allocation	Regional District	Township	City
\$463,655	\$266,038	\$161,308	\$17,920	\$11,400	\$6,988
100%	57.38%	34.79%	3.87%	2.46%	1.50%

Recommendation:

The CE/R program was listed as a Best Practice in an earlier section of this report. Tuition accounts for a majority of the funds for the CE/R program; however, the organization has become increasingly dependent upon the appropriation of surplus, which now funds about 35% of the budget. While the contributions by the two municipal governments and the school district have been reduced accordingly, there is some risk that the trend will be reversed whenever surplus has been depleted, or reduced to a minimum level. CE/R officials should consider establishing, either on a percentage basis or a dollar amount, a uniform level or range of surplus funds to maintain annually.

District/Municipal

Bordentown Regional has a 10,000 gallon fuel tank, divided equally for 5,000 gallon capacity for regular gasoline and an equal amount of diesel fuel. Gasoline is purchased under state contract. All district buses and maintenance vehicles are fueled from this tank. Interlocal agreements have been developed with Bordentown City and the Bordentown Sewer department for the purchase of gasoline from the school district at cost plus a \$.05 per gallon administrative charge. The tank is computerized, with individual read-outs by vehicle and user key.

Recommendation:

The Regional District should be commended for the initiatives, which have been taken toward cost effective shared services. It is suggested that a joint municipal/school

committee be established to further develop shared services with 1) municipal governments and 2) other school districts. Opportunities for additional shared services and joint savings include: 1) computer technology, training and maintenance 2) possible additional joint purchasing 3) sharing of equipment 4) snow plowing/sanding and salting 5) lawn and field maintenance 6) building maintenance and 7) vehicle repair and maintenance. Also, cooperative agreements could be developed for municipal and school administrative support services, such as insurance and risk management, benefits administration, payroll processing, printing and copying, and processing of purchase order and payment authorizations. Shared services and cooperative agreements should be items for discussions in periodic meetings with municipal and school officials.

It should also be noted that recently enacted legislation (Chapter 60 (REDI) and Chapter 61 (REAP), Public Laws of 1999) provides incentives to enter into shared services arrangements.

Consortia

In 1995, Bordentown Regional combined with other school districts and jointly went out to bid for natural gas as the Northern Burlington Natural Gas Consortium. The current vendor is National Fuel Resource and the agreement is for three years. Unfortunately, much of the savings for natural gas have been eliminated with the imposition of additional tariffs and sales tax. The district is now considering the possibility in the near future of joining a larger consortium in southern Burlington County.

For the third year, Bordentown Regional continued its membership in the Professional Development Network, a consortium of sixteen school districts in conjunction with the College of New Jersey. Membership provides the district with a forum for sharing staff development and curricular information and to tap college and other district resources.

Recommendation:

The Burlington County Special Services School District received a grant last year to develop and implement consolidation of services. Bordentown Regional should explore participation in this project.

Dual District

For the second year, the district has provided an in-service education program for teachers in cooperation with the Florence Public Schools. The full-day in-service workshop provided K-12 teachers from both districts with a selection of nineteen workshops that were available on a wide variety of topics. This joint venture, which was held at Bordentown Regional High School, provided a greater choice for teachers at a reduced cost to both districts, with estimated cost savings of \$10,000 for Bordentown Regional.

The Bordentown Regional District has signed a joint purchasing agreement for paper with the Pittsgrove School District in Salem County. Pittsgrove is responsible for preparing the quotes, specifications and bid documents, and for supervising the receiving of bids/quotes. The regional

district purchased 780 cartons of 8.5 x 11 white and colored paper and computer paper for \$16,568 in 1997-98 through the cooperative efforts and bulk bidding by railroad boxcar load of the Pittsgrove School District. Since the joint purchasing agreement provided savings of about 33% compared with state contract prices, the regional district saves in excess of \$5,000 annually on paper costs.

In addition to savings to be realized by joining services, there are two new state programs designed to encourage and reward local governmental units and their taxpayers for regionalizing, sharing and joining services with other units of local government. The Efficiency Development Incentive Act (REDI) provides funds to local units to study the feasibility of joining services. The second program, REAP (Regional Efficiency Assistance Program), provides direct tax relief for any local government regional service agreement signed after July 1, 19967. These programs are administered by the New Jersey Department of Community Affairs (DCA), Division of Local Government Services. The city is encouraged to contact DCA for additional information.

V. STATUTORY AND REGULATORY REFORM

The fourth and final section of the report, Statutory and Regulatory Reform, attempts to identify those areas where existing State regulations or statutory mandates, which appear to have an adverse effect on efficient and cost effective local operations, are brought to the attention of the LGBR review team by local officials. It is common for local officials to attribute high costs and increased taxes to “state mandates.” Each review team is then charged with reporting those areas in this section of the report. The findings summarized below will be reviewed by the appropriate state agency for the purpose of initiating constructive change at the state level.

Age of School Buses

Under Title 39:3B-5.1, school buses manufactured after April 1, 1977, other than those of the transit type whose gross vehicle weight (G.V.W.) exceeds 25,000 pounds, can not be used for pupil transportation purposes beyond the twelfth year from the date of manufacture. This statutory law, unfortunately, places a financial hardship on many smaller districts. Smaller districts seldom have the ability to maximize the use of publicly owned buses before this rule forces the retirement/sale of the buses.

N.J.A.C. 6:21-1.4(b) states “School buses, Type I and Type II ...shall not be utilized for pupil transportation purposes beyond the end of the twelfth year from the year of manufacture ...or at the end of the school year in which that year falls, whichever is later. Such buses, when used beyond the tenth year, shall have an annual in-depth inspection by the Division of Motor Vehicles prior to the ensuing school year.”

Bordentown school officials have expressed concern about current state law and administrative code, which requires that when S1 (Type 1) and S2 (Type II) buses are twelve years old, they can no longer be used for student transportation. This has proven to be a very expensive requirement for school districts that transport large numbers of students. There are often times, especially with small vans, when a bus is still useable despite reaching this age limitation. Districts are forced to discard buses and purchase new ones at a cost of about \$54,000 each.

While the safety of children who ride school buses is of the utmost concern for everyone, many school buses with relatively low mileage are maintained in a safe condition by school districts. The arbitrary limit of 12 years for the use of Type I and Type II school buses in many cases results in unnecessary expenses for local school districts.

Local school officials express the view that school districts should be able to receive waivers on many of those vehicles, with the condition that bus inspection and certification would be on a more frequent basis for any vehicle over twelve years old. The savings for some school districts would be dramatic. For example under current law, the Bordentown Regional School District over the next three years, will have to purchase replacements for six vehicles at a total cost of at least \$325,000.

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