

## Strategic Planning Committee

### Meeting Summary (2-6-07)

The committee convened at 7:30 pm. Mayor Burnett, and Councilman Hopkins were both excused.

Based on information available in the Califon School 2006-2007 Budget Book, and on information Zee obtained about Lebanon Twp School, Kim had developed cost-saving data on 3 scenarios which could be pursued if we consolidated Lebanon Twp & Califon school districts. (see attached)

Kim pointed out that while the possible savings are significant compared to the Califon budget (\$330,200 savings on a \$2,000,000 budget), the percentage of savings shrinks when you spread it over the total budget of the combined district (the savings amount to only 2.36% of the combined \$14,000,000 budget). If the average Califon taxpayer pays \$3,968 towards K-8 schooling, a 2.36% savings would equal about \$94/year.

Dennis pointed out that the bill passed by the legislature envisions municipal and school consolidation, and might involve numerous changes such as a revaluation of property in the districts being consolidated, re-apportioning debts which the towns incurred while they were separate, etc. The bills speak of grant money being available for communities to study the total effect of town & school consolidation. The grant money could be used to engage consultants and experts, resources that are not available to our current Strategic Planning Committee.

Kim handed out a table from a report that had been prepared by some experts that had been engaged by the NJ Dept. of Ed. It showed that the cost of running a typical “very small” district compared to “small” district was \$10,422 vs. \$8,167.

small	\$ 10,422		
very small	\$ 8,167		
difference	\$ 2,255		
% diff	21.64%		
# of students	\$/student	Total \$\$\$	
140	\$ 10,422	\$1,459,080	very small
800	\$ 8,167	\$6,533,600	small
940		\$7,992,680	Total
940	\$ 8,167	\$7,676,980	Total
		\$ 315,700	difference
		3.95%	% diff

The report might give the impression that merging a “very small” district like Califon with a “small” district like Lebanon Twp. might save almost 22% on the cost/student.

But, lowering the cost of 140 students in a combined district of 940 students would only save the *combined* district a total of less than 4% of the *combined* budget.

(Note these numbers do not include special education and other expenses.)

Kim suggested that while a group which had the ability to hire outside consultants and experts could come up with more precise consolidation savings numbers, it would be important for our committee to remind people of the principle that one should look at the dollars saved in any consolidation proposal in relation to the budget of the combined district. Since the percentage of savings is the total savings divided by the total budget, having a large total budget number often shrinks the percentage of savings.

Thus, if closing Califon school and merging its students into Lebanon Twp. could save \$330,000 on a \$14,000,000 budget (2.36%), what if one added Tewksbury to the merger? Although you might save an additional \$200,000 in administrative expenses by eliminating an additional CSA and BA, the combined budget of the new district would be over \$25 million. The \$530,000 total savings divided by the \$25 million total budget would be only 2.1%. Merging all the districts that send to North/Voorhees would result in a total budget of around \$150 million. At that level, it takes \$1,500,000 of cost reductions just to save 1%.<sup>1</sup>

Zee reported that Lebanon Township's "spare" classrooms are being used as art and music rooms. As their student population grows, they plan to convert these rooms back into classrooms (and have "art on a cart"). Additional growth after that would necessitate adding additional classrooms.

Kim handed out 5 yr and 10 yr student population projections that had been prepared by a consultant for the high school district. Califon is projected to go from 147 K-8 students to 146 and then back to 147. Lebanon Township is projected to grow from 800 to 940 in five years, and then to 1,190 in ten years (49% increase). Tewksbury is projected to go from 748 to 1,068 and then to 1,293 (73%). These projected growth rates may necessitate fairly substantial school building projects in the near future by our immediate neighbors.

The committee next discussed shared services. There are several ways in which we may be able to save money. In addition, there may be ways that we can cooperate with our neighbors that would reduce part-time staff turnover. Through closer cooperation with the high school we may be able to improve our curriculum. We felt the best way to explore these possibilities would be to invite someone from the high school administration, and someone from Lebanon Township's administration to come to our next meeting.

The date of the next meeting will be based on when these guests can come. We were going to aim for the first Tuesday in March. Zee will follow up with Leb. Twp. and Duncan will follow up with Dr. Shaddow. The topic of our next meeting will be to explore any and all ways that closer cooperation between our districts can save money or improve the quality of our children's education.

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<sup>1</sup> At statewide meetings that Kim has attended, one hears reports that if we eliminated the superintendent and business administrator positions of 580 of our 600+ districts by consolidating into 21 county districts we could save about \$150,000,000. To put this in perspective, since roughly \$20 billion is spent statewide on public schools, the \$150 million savings would be only  $\frac{3}{4}$  of 1% of the total that is spent.